NATION'S BUSINESS

April *1925*

The Farmer *is* a Business Man
The New Secretary of Agriculture talks to NELSON A. CRAWFORD

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The Lumber Industry Is Settling Down
By WILSON COMPTON, Secretary of the National Lumber Manufacturers' Association

Where Do We Stand on Building?
By TRUMAN S. MORGAN, President, F. W. Dodge Corporation

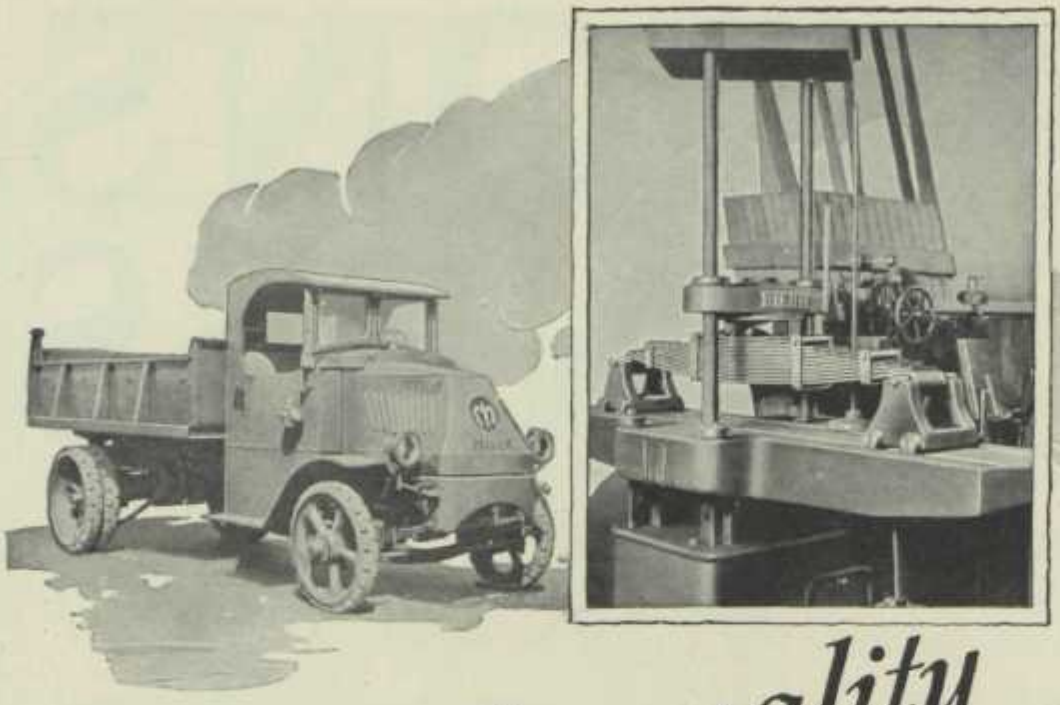
What's Ahead for the Railroads?
MARK W. POTTER gives some sound views to HENRY SCHOTT

I Visit Our Northwest Corner
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Business Is All One, by Alfred Pearce Dennis—A Country Banker Sees the Show, by Wellesley Tufts—Short Lines Put the Bus to Work, by Chester T. Crowell—Some Wastes in Wholesaling, by Irving S. Paull—You Die, Who Gets Your Money? by Edward A. Woods

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Published by the Chamber of Commerce of the United States



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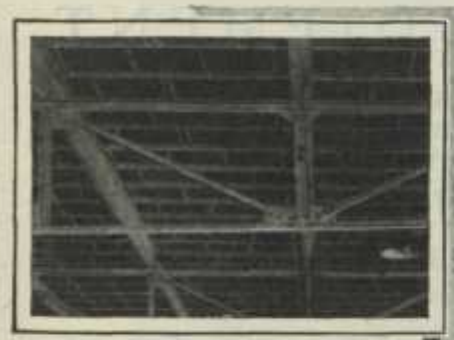
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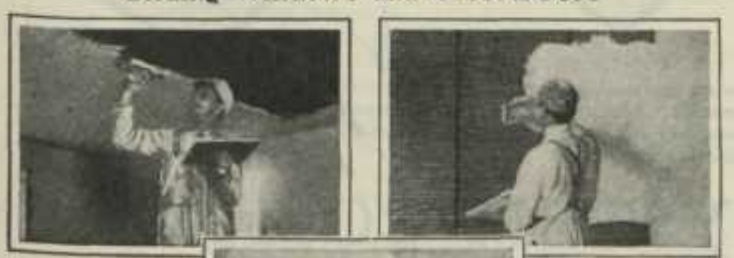
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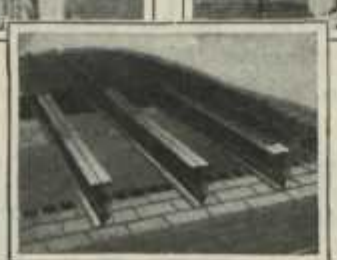


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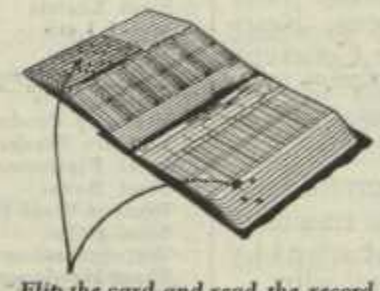


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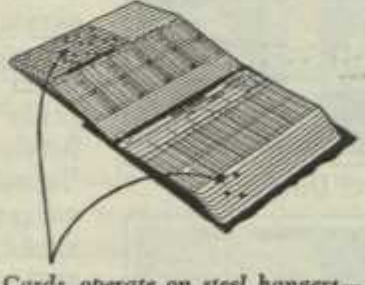
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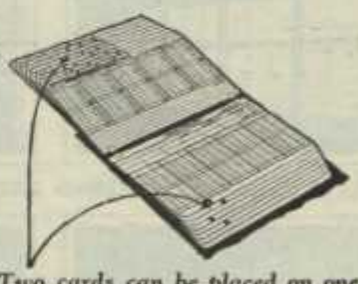
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1/5 of Industry's payroll

How it is wasted by non-productive time

Incorrect Lubrication's part in it



The committee of 17 eminent engineers, appointed by Secretary of Commerce Herbert Hoover,* reports that 1/5 of Industry's time is wasted. This means that 1/5 of Industry's 10-billion dollar payroll is paid for idle time.

The time-wastes cited by the committee include:—

[1] Congestion of work at some point in a plant, entailing idleness at others.

[2] Time out for repairs of machinery.

Both lead straight to lubrication.

The idleness of a single machine laid up for repairs spreads like contagion. A drag at one point checks the production flow. Work piles up. Men stand idle. The waste is obvious.

Repairs, except for accidents, can to a large degree be prevented by correct lubrication. Large savings in power costs undeniably follow correct lubrication.

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**This committee was appointed to study preventable wastes in major industries for the Federated American Engineering Societies*

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Vacuum Oil Company

NEW YORK



AGAIN and again we are reminded, and we in turn remind our readers, that there is nothing new under the sun. We have talked about something as entirely the product of this generation, the far-flung ramifications of industrial processes. Rambling through Thomas Carlyle the other night, we found this sentence:

". . . there is not a red Indian hunting by Lake Winnipic can quarrel with his squaw but the whole world must smart for it: Will not the price of beaver rise?"

OUR friendly contemporary, *The Association News*, published by the Northern Ohio Druggists' Association, is moved to verse by Henry Schott's article in the December issue. Mr. Schott said that in Munich art stores are as numerous as drug stores in Cleveland. The *News* chants these inquiries to Mr. Schott:

Henry, now supposin' you tell us
How many drug stores will suffice
Each ten thousand population?
Further tell us, to be nice,
How do these Kunst-haendler do it?
Do they too have One-Cent Sales?
Later but to truly rue it
As a stimulus that fails?
Do they know the "Week End Special,"
And the snappy "Monthly Drive?"
If yes, say, as a professional,
How is it they keep alive?
Now these queries you won't answer
And perhaps you'll want to frown
But please tell us, gay romancer,
Were you ever in our town?

To which Mr. Schott replies in prose that he has been in Cleveland, but neglected to make a drug-store census.

When the editor asks how many druggists will suffice each 10,000 population, he'll have trouble getting an answer, and yet it's a question that has been asked before with variation. Who would have better information about it than the Druggists' Association? And how would Cleveland's ideal ratio apply to Wichita or Waco or Wappinger Falls?

WE ALSO hear from foreign parts. These letters are particularly encouraging, for if the magazine attracts men in Europe and Southern Africa, there is reason to believe that it is not wholly without interest to the business men of our own country. A letter from Herr Ad. Nizze, of Doberan, near Rostock, Germany, says:

The essay in your December number about the new American bakery machines has found my keenest interest. I would be very pleased if you would inform me of the address of the manufacturer of these new ovens and if there might be a possibility of importing them also to Germany or Europe.

Down in Johannesburg, S. Africa, Perry J. Stevenson is the Trade Commissioner of the U. S. Department of Commerce. In a letter he confesses as follows:

Situated as I am, so far away from the United States, it is highly essential that I should keep in contact with the business thought and business development there. Fortunately for me, I get

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.



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Business men are sold on the importance of safeguarding their valuable papers. But very often they make a dangerously restricted definition of the word "valuable".

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Nation's Business and in no small degree it helps to keep open the contact that is in danger of being broken at such great distance. I wish you every success in your efforts to increase your field of influence. Your magazine is the best antidote to bobbed-hair thinking of which I am aware.

KANSAS CITY is a long way from Johannesburg, but the thinking seems to be along the same lines. This letter from Mr. W. H. Highleyman, representing the Public Utilities Service Department of the Aetna Affiliated Companies, says:

The January issue of Nation's Business has been handed to me and I find it contains so much of value to me in my work on the subjects you treat from a nation-wide standpoint, that I not only desire to subscribe for it myself, but wish to prevail upon others to receive the same benefit in their particular lines by subscribing. I believe your January issue contains more sound logical arguments—more articles on matters business men are interested in today, than any other magazine it has ever been my pleasure to see.

All fine, generous words, and it means that we will have to keep on our toes to merit them.

INTRODUCING the April number:

Few men are of more interest to American business than the new Secretary of Agriculture, William M. Jardine. Not only is farming itself a big industry, but the Department of Agriculture touches on many things that concern us all at first-hand. It was widely said that President Coolidge wanted a business man to head this department. How much of a business man is Dr. Jardine? What are his views? No man knows Dr. Jardine better than Nelson Antrim Crawford, who was his associate in the Kansas Agricultural College.

We liked so much what Mr. Potter said over his own signature about consolidation of rails last month that we went back to him with a lot of questions as to the railroads and as to himself.

Wellesley Tufts isn't his real name. He has written for us before; and when he writes about the country banker and his "folks" he is writing on something that he knows.

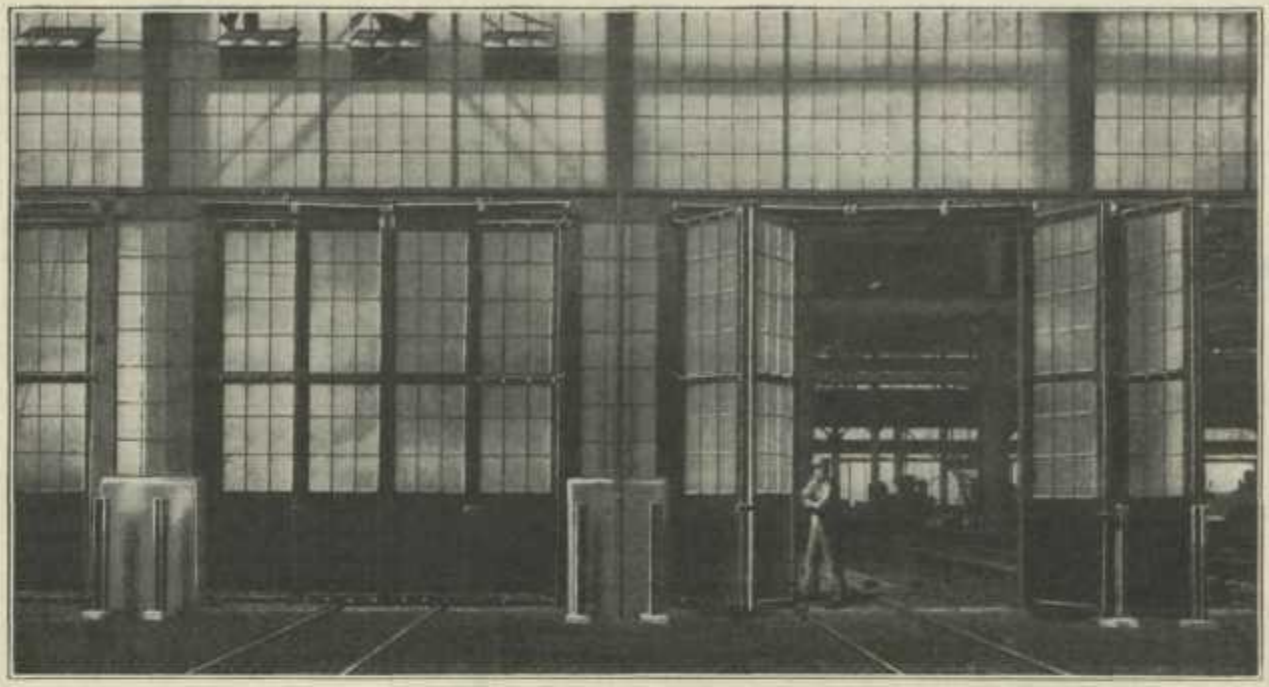
Our readers already know Alfred Pearce Dennis as one of the staff of the Department of Commerce, and for some years in Europe as Mr. Hoover's personal representative. Now we must introduce him as the new member of the Tariff Commission, a place to which President Coolidge named him soon after the latter's inauguration. We hope that he will not have to stop writing.

"Service" has been the battle cry of many an industry. Sometimes it seems one of the most overworked words in the business world. William Nelson Taft, Editor of the *Retail Ledger*, thinks that service is overworked not only in word, but in deed.

Wilson Compton, who is Secretary and Manager of the National Lumber Manufacturers' Association, tells us that lumber, once a nomad industry, is now sticking to one place. No industry has suffered more from the cry of waste than that of lumbering; yet it is easier to preach reforestation than to practice it profitably.

Chester T. Crowell is a writer by profession. He has studied street-car and bus transportation, both as rivals and as inevitable partners. His article is really a supplement to that by A. J. Brosseau, President of Mack Trucks, in the February number, entitled "Who Shall Sell Bus Transportation?"

Irving S. Paull this month in his series on distribution, gets nearer to the manufacturer



Does *big* things for *big* doorways

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and touches particularly on that question of multiplication of brands. How important this is to business, any retailer can tell you, and more manufacturers are learning.

Richard F. Grant, President of the National Chamber, ends his series of four articles with one on "The Case for the Employe." His is a breadth of vision which sees business as four-sided.

Edward A. Woods is one of the leading life-insurance agents in the United States. His presentation of the facts about inheritance taxes is short but startling.

Truman S. Morgan is head of the F. W. Dodge Corporation. No one in the United States knows more about the building situation in this country.

An excellent array of authors, we think, and a timely choice of material.

"YOURS," said Harry R. Wellman, Professor of Marketing at the Tuck School of Dartmouth, "is about the dirtiest magazine in the Tuck School reading room." We were startled for a moment, until he went on to explain that he only meant that the NATION'S BUSINESS was one of a very small group of periodicals which the students read without urging.

WITH THE growth of business schools in the colleges and universities, NATION'S BUSINESS is coming more and more in direct contact with students and faculty men. Here are some excerpts from letters from instructors who are making use of the magazine in their work:

I have found much pleasure in reading NATION'S BUSINESS and feel that it has been of profit to me in my school work, and I am pleased to recommend it to our men in the Purchasing and Transportation Departments.—H. F. Martin, Dean of the College, Wittenberg College.

I find the humor and viewpoint of the lighter feature articles refreshing and the more serious articles always of timely interest. Portions of many articles you have published have been used as a basis of discussion in my economics classes. —Prof. Raymond Chambers, University of Buffalo.

I consider NATION'S BUSINESS a wonderful publication and a most useful one in the teaching and study of economics and sociology.—Michael J. Enright, St. Bonaventure's College.

NATION'S BUSINESS is placed in our school library where it is accessible to the boys and girls, especially those who are in our commercial courses, and they are using it with profit.—F. S. Fosdick, Principal, Masten Park High School, Buffalo, N. Y.

The magazine is becoming of use more and more to teachers, especially those having civics and economics classes.—F. M. Edson, Principal, Southside High School, Elmira, N. Y.

SPEAKER GILLETTE left his post as Speaker of the House of Representatives for a seat in the Senate with a common-sense summing up of the abilities of the former body.

He isn't hopeless about American institutions or about our national legislature. "We have become more businesslike," he said. "I think the House has less tolerance than formerly for second-rate oratory."

Knowledge, information, Mr. Gillette says, is what the House wants and what it gets, too. At least, it gets it more now than it did when he entered that body 32 years ago. The retiring Speaker went on:

I often think what a distorted idea of our membership the readers of the *Congressional Record* must form. They see the men who strive to make themselves conspicuous, they read the care-

fully revised and extended remarks of the men who use the *Record* for self-advertisement, and they must often imagine that men are leaders whose influence is the most insignificant and whose advocacy of a measure harms rather than helps it.

This House becomes in time a pretty infallible judge of a Member's merit. It learns to appraise motives. It discriminates between the modest men who with sincerity are trying to render service and the men who are working only for display and self-advancement. And it is refreshing to note that although the home folks may often be deceived by the fake statesman who is always playing to the gallery, yet here the sincere and industrious and modest man has his recognition and his reward. I would deem the genuine esteem and respect and confidence of this body the highest tribute a man could earn.

Sometimes NATION'S BUSINESS has been rebuked for "making fun of Congress," in those extracts from its more frivolous debates which we publish from time to time; but after all, are we not saying in another way just about what Mr. Gillette says?

HENRY J. WATERS, editor of the *Kansas City Weekly Star*, congratulates the National Chamber on its new home in the national capital. Then he goes on to say that it is time the farm industry of the country was also represented. He points out that to the country at large the center of farming activity in Washington is the Department of Agriculture, while for business it may not be unfair to say that leadership is shared by the Department of Commerce and the United States Chamber of Commerce.

Mr. Waters winds up by asking:

When will the farmer be fully represented at Washington, and in all branches of the Government? When will he truly sit in the council of the nation?

It may be that the farmer lacks representation in Washington, but it is interesting to know that there are twelve organizations of agriculture with more or less pretentious headquarters here.

NEW CANDIDATES for our new club "There ought to be fewer laws."

"Law crazy," are we, says former Vice-President Marshall. "We cannot legislate a change in men's hearts. Reformers cannot attain their purposes by passing more laws. It is the will to accomplish that finally results in fruition."

And now comes former Senator Beveridge. Says he:

The nation and every state are well-nigh smothered with multitudes of laws. No human being knows how many statutes are hidden within the forbidding covers of thousands of volumes that contain the acts of Congress and the legislatures. No human being knows even the number of city ordinances, much less the purport of them.

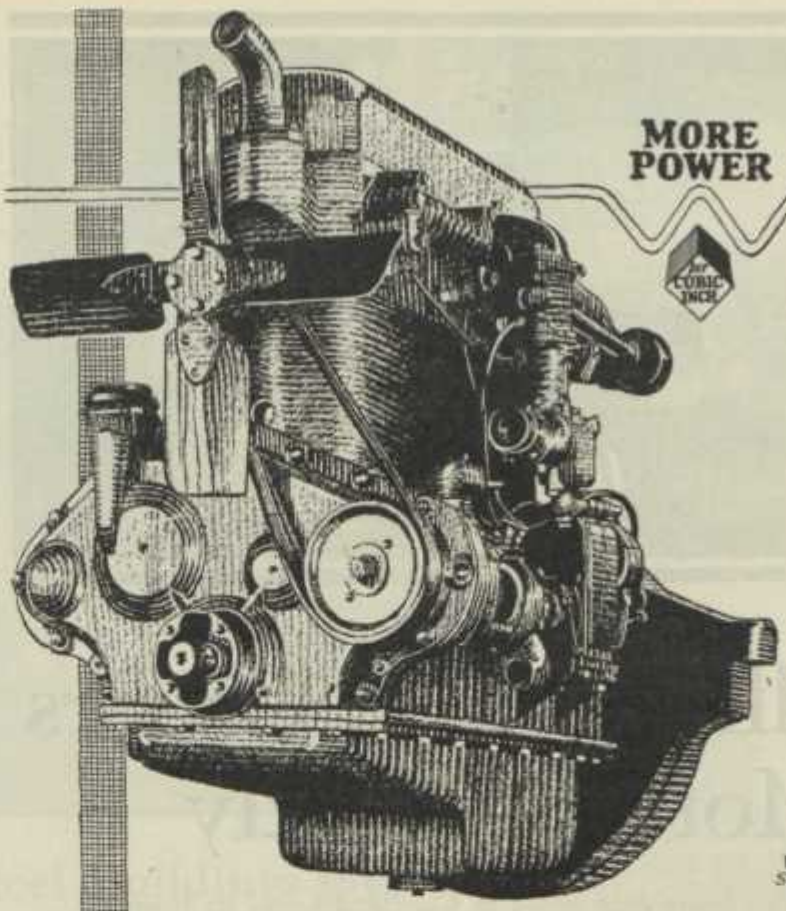
The country would be better off if, for every new law passed, an old law were repealed.

It has come to pass that the mass of American legislation is restrictive. We boast that ours is the land of liberty yet the American people are by law forbidden to do more things and, by law, ordered to do more things than was the case in Russia under the czar or Turkey under the sultan.

From Walla Walla, writes Mr Lloyd Armstrong:

I have read what you say about too many laws and agree with you.

Legal custom has made it so that there has to be a law covering specifically every unethical act or the culprit goes free. The system of making laws is radically wrong and the error does not rest with people demanding too many laws. Our



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A LARGE wholesale drug house in Cleveland found its business growing beyond its facilities for proper handling. Overtime work and extra help failed to keep up with the increasing volume of orders. Something had to be done immediately. A new building was contemplated.

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present system of law-making should be done away with as fast as possible, substituting in its place a system of basic laws. Larceny is larceny, no matter which it is, money, goods, livestock, a wife's affections, or anything else of value. Misrepresentation is misrepresentation whether it is stocks, bonds, goods, slander, or anything else. Bodily harm is bodily harm.

The Ten Commandments are a good illustration of law-making. Moses could have amplified these ten laws to fill ten thousand volumes.

Walla Walla's state recently gave the country a good example. In January, her governor sent the state legislature home saying that the state of the realm didn't need more legislation at this time.

FOLKS who read this magazine will remember a series of entertaining articles by Charles R. Flint called "The Fun I've Had in Business." Mr. Flint did not write them to mark the end of an active life. They were merely an incident in a still busy one.

The New York newspapers of a day or two ago gave space to the fact that Mr. Flint, a sprightly young man of 75, is busy arranging an industrial merger of coal companies with a combined capital of some hundred million dollars. This, he says, will be the twenty-third important consolidation that he has engineered. In the intervals of active business and writing, Mr. Flint manages to put in some odd moments fox hunting and fishing.

It is a fine thing to see a man at 75 still able to work and to play.

ALVAN T. SIMONDS, of the Simonds Saw and Steel Co., thinks that economics is lagging behind medicine. In a recent article in the *Review of Reviews* he calls attention to the fact that the economists have no word to compare with the doctors' "hygiene." He thinks that study should be given to preventive economics, the "preservation of prosperity," just as thought and research have been given to preventive medicine.

Perhaps Mr. Simonds will get some contribution from his annual offer of prizes to encourage the study of economics. This year the subject is to be "Your Prosperity and Mine," with a thousand dollars to go to the best essay and five hundred to the next best. He hopes that his offer will appeal especially to business executives, assistants to business executives, and students of business and commerce.

HE SOLD razors by mail on a 10-day trial offer, buying them from a manufacturer. His books were kept on a cash receipts and disbursements basis, with no inventory. The income tax people decided he ought to have had an inventory to show his true income and proceeded to make him a hypothetical one. The taxpayer protested and the Board of Tax Appeals decided he was right—he could not be forced to figure an imaginary inventory.

When a British syndicate was buying breweries in America many years ago, they made an offer for one in St. Louis, contingent on audit. The brewer, who sold his beer for cash to his own drivers, said he kept no accounts.

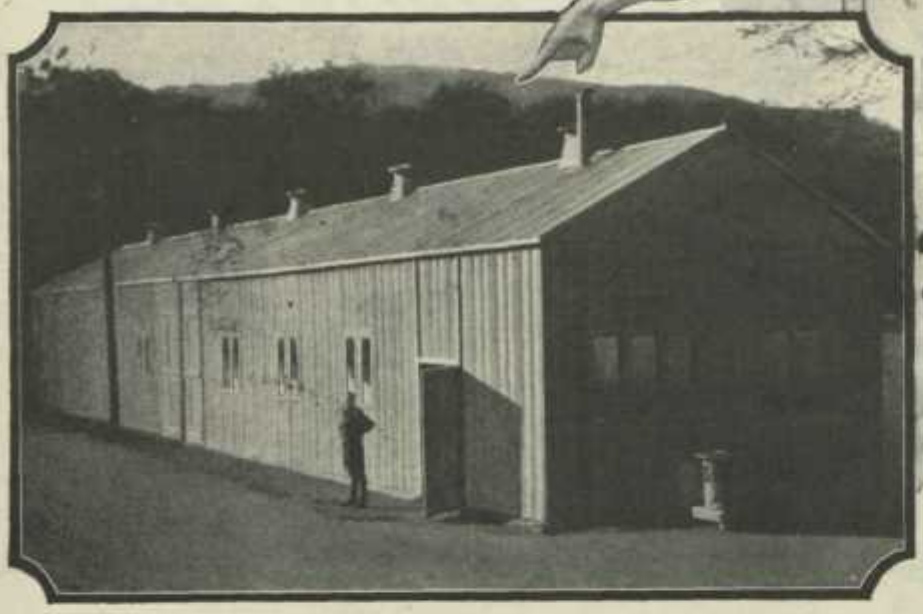
"How do you know what you do?" they asked him.

"I'll show you how I know," he said, taking down an old flannel-bound double slate. "On this side is what I took in today, here is paid out, and here is put in bank, and I don't owe anything."

They bought his brewery.

M. T.

One of the large time-tested steel buildings erected many years ago at the United States Military Academy, West Point, N. Y. Photograph taken in November, 1924. Exposed to long, hard winters and the storms which sweep across the Valley of the Hudson—this building is as good today as when first erected.





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But in selecting your steel building make sure it is **rust-protected** to give long life. You should expect at least twenty years' satisfactory service—even without painting. Refer to the Bureau of Standards Circular No. 80 which recommends that zinc coatings (galvanizing) should be given preference when the object is protection against corrosion.

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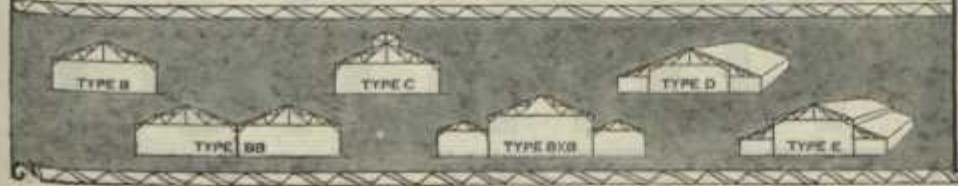
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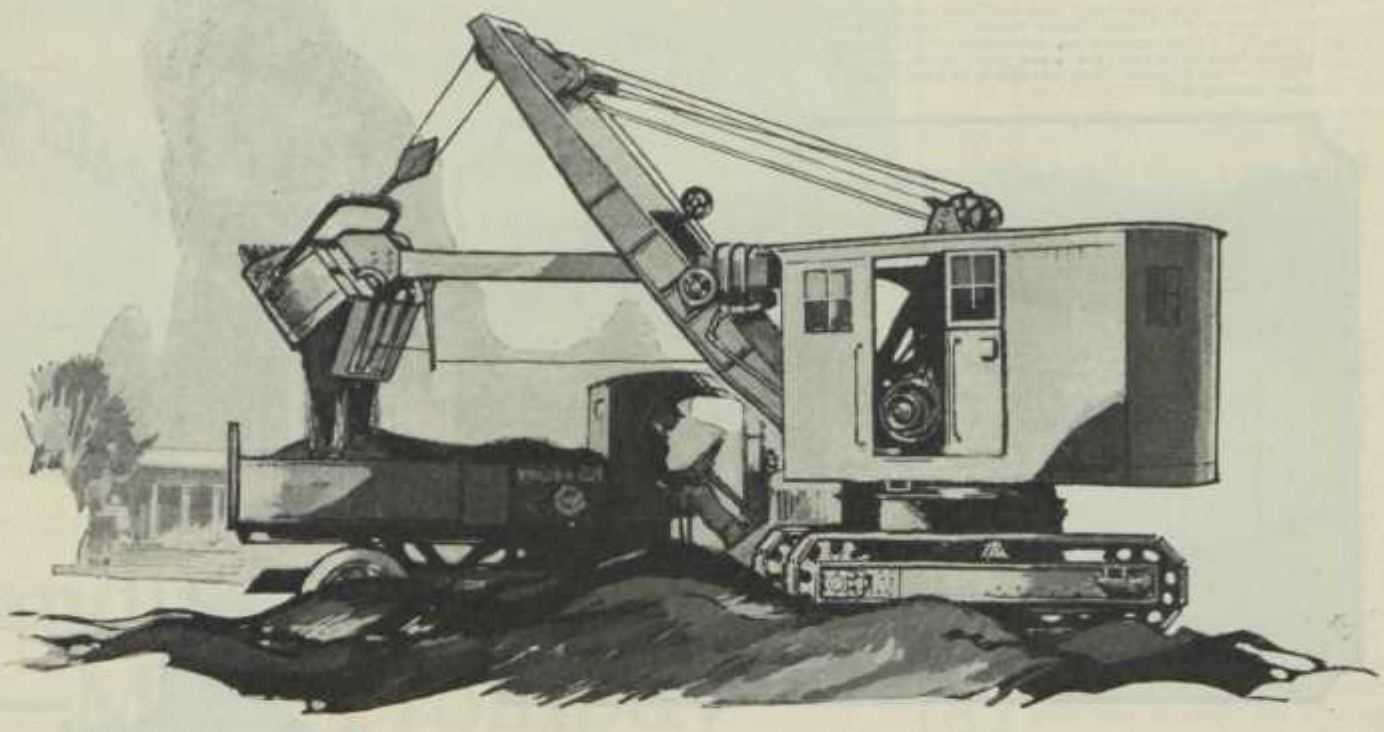
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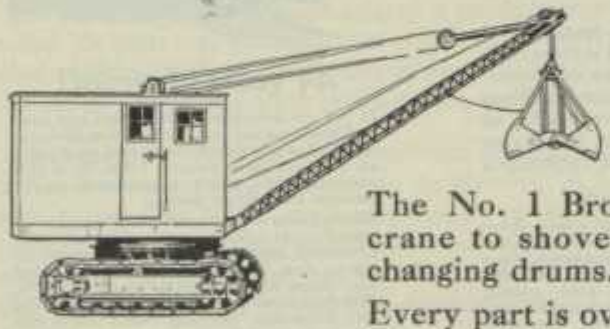
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HERE'S a machine that will quickly pay for itself in hundreds of plants. It is gasoline driven, always ready to go—for shovel work, coal handling, machinery loading and innumerable time and labor consuming jobs.

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VOLUME 13, NUMBER 4 NATION'S BUSINESS APRIL, 1925
A Magazine for Business Men

The Farmer *is* a Business Man

WILLIAM M. JARDINE, the New Secretary of Agriculture, Talks to NELSON ANTRIM CRAWFORD

"THE FARMER is a business man."

Around that plank is built the platform of Dr. William M. Jardine, farmer, crop specialist, educator, and now Secretary of Agriculture.

With those who paint the American farmer as set apart in a class by himself, as whiskered and muddy-booted, Dr. Jardine has no sympathy. The men who accept as true the farmer of the old-fashioned cartoonist hurt the farmer in the eyes of others and, what is worse, in his own estimation.

Dr. Jardine doesn't try to wipe out this picture of the farmer without setting forth another. Here is the American farmer as drawn from life by the new Secretary of Agriculture.

"The American farmer is a business man. He has a greater capital investment than the average retail merchant. His business is vastly more complex than that of the average retail merchant.

"The labor problem on the farm is much more serious than in most other lines of business, especially because of the seasonal character of most farm work.

"More factors — at any rate, more factors that are not subject to human control — enter into agricultural production than into factory production, say. The selling, the distributing, end of the farm business has proved difficult, partly because the turnover is limited by nature herself, partly because the farm unit is such that the same man has had to attend to production, distribution and everything else. I wonder whether, if the city business man had to work under the same conditions as the farmer, he would be able to show as satisfactory results as the farmer shows, even today.

"The farmer is a much better business man than the public gives him credit for being. The farmer has a lot of native intelligence, fortified by sound business experience. If he didn't have, he wouldn't be able to weather the crises the way he does.



Think of this man not as a farmer but as a manufacturer, merchandiser and employer. Think of his silos and turkeys not in terms of cattle feed and poultry but as invested capital

"Take, for instance, the readjustment of the last four years. I'd like to have you show me a city or town business man that could have done any better. There was a perpendicular drop in the prices of farm products, such a drop as was equaled in no other industry. The farmer's income was cut to practically nothing."

"But a number of farmers went bankrupt?"

"Certainly they did," Dr. Jardine assented, "but don't forget this: There's a lot of them who didn't go bankrupt, who weathered the storm in spite of everything. If you would compare the proportion of farmers who went under and gave up their business in this depression with the proportion of other business men who failed completely in any business panic, I think you'd be satisfied that the farmer has good business judgment and a lot of it. And a lot of courage, too. The average farmer went right ahead, in spite of no income and the slow turnover characteristic of the farm business, and made the adjustments necessary for going ahead.

"Take a glance at the figures."

And Dr. Jardine laid before me a page of statistics. "In 1920 we had 75,000,000 acres planted to wheat. This has been reduced to between 52,000,000 and 53,000,000 acres. And it has not been done by leaving the land idle—like closing up a factory. It has been put to other crops — grass, legumes, some other grains. Many of the crops that have been substituted do not furnish immediate turns. The returns will come chiefly through live stock and through the enrichment of the farm soil. In spite of the farmer's financial difficulties, he proved himself a far-sighted enough business man to look to a big permanent future rather than to small, temporary present gains."

This was putting the farmer in a new light —new, that is, to the way the great masses of our population have usually considered him. A business man? By all means, and not one with an easy job, either.

If the farmer is a business man, does he

think so himself? That's another thing I wanted to know.

"Certainly he does," said the Secretary. "The farmer knows he is a business man, and he knows that he has done pretty well in his business considering the difficulties that he has just gone through. The farmer who is not a plunger, who has followed diversified farming, who has tried to balance his farm operations as much as possible, is making some money again.

"The farmer is like any other business man. When things don't go well, he is inclined to blame the Government. We all do that—it's human nature. People have always done it.

"We perhaps have heard more complaint from farmers because farming is the most important business in the country and because farming suffered more severely than any other business in the deflation following the war. But I do not believe there was any more complaint from farmers than there would have been from any other group of men in a similar situation.

"The farmer doesn't want to be a ward of the Government. Anyone who thinks that is all wrong. The farmer is an individualist from start to finish. If anything, he is too individualistic. He doesn't want the Government constantly monkeying with his business. He doesn't want to be babied or pitied by other people.

"What the farmer wants is just this: He wants his business to have an equal opportunity with other businesses.

"The sound farmer-businessman does not seek legislation to fix prices or to regulate details. He knows that legislation cannot annul economic laws. The only legislation he wants is legislation that will assist him in getting reasonable credit on sound security—credit adapted to the peculiar nature of his business, which because of turnover and other factors cannot be treated in the same way as other lines of business; legislation that will help him build up machinery for marketing his products successfully; legislation that will put him on a par with other business men.

Not Clamoring for Legislation

"THERE are certain special statutes dealing with banking, with corporations, with labor. The farmer does not demand legislation any more specialized, from his point of view, than those laws are from the point of view of the men particularly interested in them. He wants legislation not as a foundation, but as a shock-absorber."

Don't think that Dr. Jardine is wholly satisfied with the record of American farming for, say, the last twenty-five years. He does not believe in letting well enough alone. He sees a chance to put farming on a sounder basis, and he is eager that the farmer shall take advantage of this opportunity.

Dr. Jardine points out that farm land in the middle west is worth three or four times what it was in 1900. While not a great deal is changing hands at these figures, it would be difficult to buy for less. The owners, unless forced to do so, are unwilling to sell at lower prices.

In land lies most of the farmer's capital, and it is on his land that he must make a fair interest return. With land at its present price the farmer cannot make money by using the methods and getting the returns of 1900.

"There of course are several possibilities in this as in every other situation," Dr. Jardine explained. "The farmer's standard of living may be lowered, for one thing. This no farmer favors, and no city man ought to favor. Advances in standard of living are among the marks of a rising civilization. In particular, the farmer's standard ought not to be lowered, because in considerable measure it sets the standard for the rest of the country. A poverty-stricken farmer class can never mean a prosperous America.



William M. Jardine

SOME weeks ago before Dr. Jardine was named as Secretary of Agriculture, I spent an evening with him and with the writer of this article, who has been Dr. Jardine's close friend and associate at the Kansas State Agricultural College. The things Dr. Jardine said then impressed me, and I asked Mr. Crawford to put them in black and white. They are the views of a man who brings to a new post, one of the biggest under our Government, an understanding of the farmer not only as a producer, but as a man with problems of marketing, of employment, of investment—of all the things business must face.—The Editor.

"Another thing that might be done in the present state of affairs is to deflate the value of the land. This again is not favored by the farmer. Much land has changed hands at the present values or at values somewhat in excess of these. The farmer-owner is going to hesitate a long time before admitting that the land is worth less.

"Rather, the farmer will strive to increase production to a point where it will represent a fair interest return on the present value of the land. That is a way out, and it is the way that most sensible, hard-headed men—farmers or others—will naturally consider the best way."

"Isn't there talk that production ought to be curtailed instead of being increased?"

"Loose talk," said Dr. Jardine. "Even if the curtailing of agricultural production were practicable, it would not get us anywhere. The acreage of certain crops should be adjusted from time to time—now increased, now cut down.

Must Raise More to Acre

"FARMERS have already done this. For instance, they have decreased the acreage of wheat and of cotton and have devoted to other crops some of the land that they used to devote to these. But they don't let their land lie idle.

"Further, if a farmer plants an acre of wheat or of corn or of any other crop, it stands to reason he should get the biggest and best yield possible from that acre. From 1900 to 1920, in which time land values were rising, the acre yield should have steadily increased, and should be increasing now, for the increase in the prices of farm products is not enough to compensate for the rise in land values. As a matter of fact, however, the acre yield of corn in Kansas for the five years prior to 1900 was 23 bushels. For the five years ending in 1920 it was 20 bushels.

"Livestock, which is a better measure of permanent agricultural improvement than any grain crop, showed an actual decrease in Kansas in the twenty years between the 1900 and the 1920 census. The number of cattle, the number of hogs, diminished. In hogs the decrease was nearly 50 per cent. The only increases in livestock were in the number of horses, mules, asses and sheep, and these increases form a small total.

"In this period the value of the livestock on Kansas farms less than doubled, while the value of the land more than quadrupled. Cattle and hogs are increasing again now, but the total number on Kansas farms on January 1, 1925, was still short of the 1900 figures."

"Not a very promising situation," I commented. "What is the farmer going to do about it? Increase prices? If so, what about the consumer? If I'm not mistaken, something like 80 per cent of the manufactures of the United States are based on agricultural raw products."

"What is the farmer going to do about it?" repeated Dr. Jardine. "He's doing it right now—some of him, that is. There are farmers here in Kansas who are raising 10 bushels of wheat more to the acre than their neighbors because they are plowing early and deep and are using the best seed. I know other farmers that are getting 5 bushels of oats more per acre solely on the basis of a strain of oats, Kanota, that was developed here at our experiment station.

"Then I know farmers—often the same farmers—that go in for quality. They are getting a premium of 25 cents a bushel on their wheat because of its high protein content. They are feeding animals that will mature in the shortest possible time and furnish the most desirable cuts of meat, thus bringing the highest prices on the market.

Quantity and Quality Count

"TAKE dairying: The best dairy farmers are making every effort to breed high-producing cows and to feed and care for them in such a way as to make for the most economical production. Although cow-testing associations are only nineteen years old, cows of these associations in Wisconsin average 273 pounds of butter fat a year as against an average of 190 pounds for all the cows in the state.

"Quantity and quality—those are the two things that count. They count in the farm business the same as in any other business. Profitable production doesn't lie in producing at the lowest possible cost per acre. It lies in producing in such a way as to give the biggest margin between the production cost per acre and the selling price per acre.

"It is just a business matter, and the farmer is working it out on his own farm."

I started again to ask about the consumer, and the answer came, quick and to the point.

"There is no reason for increasing the price of farm products to the consumer. The consumer is not going to stand for much higher prices than he now has to pay. We might as well face this fact right now. The consumer wants good farm products, and he is willing to pay a fair price for them. If the price goes beyond what he considers a reasonable figure, however, he is going to quit buying them so far as he can. He is



IS THIS a business? It has no shelves, nor tags, nor bolts of calico —yet this field represents an investment which perhaps exceeds that of the average retail merchant and many manufacturers. The barns, the houses, the poultry, livestock and machinery—each shock of corn and every fence post represent capital invested

going to use cheaper substitutes, and that will necessarily bring the prices down.

"For most farm products the ultimate consumer pays enough today. He will pay somewhat more for goods of exceptionally high quality—eggs graded and sorted as to size and color, apples carefully selected and boxed, other products standardized in like manner—than for the general run of farm stuff. This the farmer is recognizing, especially on the Pacific Coast. But the general level of prices to the consumer cannot be raised much.

"What is needed is to diminish the spread between the price received by the farmer and that paid by the consumer. The farmer, the actual producer, is entitled to a larger proportion of the consumer's dollar than he now gets."

Cooperation the Means

"HOW IS the farmer going to get it?" I inquired.

"Mainly by cooperative effort," answered Dr. Jardine. "The farmer heretofore has always sold on a buyer's market. He has had to do so, because he has not had organization. He has not been in a position to bargain advantageously. What the farmer needs to do is to sell his products on a seller's market. He can do this only through cooperative organization.

"There are 6,500,000 individual farmers in the United States. It is futile for them to attempt selling individually and expect to exert any control over the markets. They must get together. Where they have done so, with the right methods and under competent leadership, they have been successful, and it is certain that they will be more successful in the future.

"There are now close to 5,000 cooperative grain-marketing associations in the United States and about the same number of cooperative livestock shipping associations.

"There have been failures, and these have had wider publicity than the successes. Some of the failures have been due simply to getting away to bad starts. Some have had poor management. It is one thing to know how to run a retail grocery, and another thing to know how to manage a chain of such stores. Likewise, a man who can run a farm successfully is not necessarily competent to manage a federation of farmers for selling purposes. This distinction has not always been recognized by farmers in choosing their leaders. It is essential that men who have proved their competence by successful experience be chosen.

"Cooperation among farmers, properly carried out, will accomplish precisely what farming most needs. It will iron out the peaks and valleys in the agricultural market. It will go far toward securing a constant market at a constant price, thereby giving to agriculture's business men a definite permanence in a business way.

How It Would Work

"IF APPLIED in the right way, cooperation can make of American farming a big, voluntarily unified, permanently and dependably profitable business, in a way that no paternalistic legislation could possibly do. The Government can aid in developing cooperation, in providing a voluntary clearing house for cooperative organizations. It can, in other words, simply help the farmer to help himself.

"Through cooperative organization farmers can ascertain the demand for each important farm product—first the American demand, then the foreign demand. In the case of products of which more can be produced than the American market needs for itself, the organized farmers can find out whether they can produce for the foreign market at a profit in competition with the farmers of other countries.

"They can select the products that they can so produce, and grow them for the export trade. The farmers' own representatives will give them the data that will enable them to decide what to grow and when and how to grow it. This will not mean the elimination of any acreage, but it will mean a better balancing of the farm acreage among different products.

"The important thing about a program of this sort is that it gets information beforehand, rather than afterwards. It will take gambling out of farming—a thing for which clear-thinking, sound farmers will be devoutly thankful.

"The development of cooperation to this extent will necessarily be slow. The development of any big business movement—any movement that really counts permanently—is slow. The ultimate success of the cooperative movement will depend on farmers' confidence in each other, on the laying out of a careful program, and on the selection of capable, dependable leadership.

"Once the movement is thoroughly developed, the individual farmer will not have to worry about selling problems. He will be free to devote his managerial ability toward production and thus raise this to the most profitable point."

Dr. Jardine visions the entire country, all citizens of the United States, a cooperative enterprise to build better business and a better nation.

"One of the biggest jobs in the United States today is to recognize that we are all interdependent," is a text on which he has preached many a sermon, sometimes before a gathering of farmers and their wives, sometimes before a chamber of commerce or a civic club, sometimes before bodies of educators, and day in and day out before college students.

"Every American is vitally interested in every other American," he said to me, in discussing this subject, which is so close to his heart. "The farmer is not interested in himself alone. He is interested in seeing business men prosper. He is interested in seeing the wheels of industry turning. He is interested in having labor employed at good wages. Under any other circumstances the market for farm products is bound to be a broken-down market.

"On the other hand, if the farmer has not a good market for his products at a good price, industry suffers. There are more than 6,000,000 farmers in this country, and they are good spenders when they have the money to spend. It is everybody's business to keep agriculture prosperous; it is no exclusive concern of the farmer.

Stop Group Clashings

"WHAT we all need to do is to talk less tommyrot and throw fewer monkey wrenches into other people's machinery. We want to stop trying to line up one group against other groups. We want to work together. Americans should be cooperating, not quarreling with each other over the interests of this group or that.

"Even if we got no material benefit out of cooperating with each other, I should favor it anyway. If it had no other advantage, at least it is more Christian."

Right here, I believe, is a keynote to Dr. Jardine's faith.

He believes that the principles of Christian ethics are not made simply to be preached in churches or printed in decorated mottoes. He is confident that the American farmer—and for that matter, any American business man—can profit himself at the same time that he profits for everybody else in the nation. It is on this principal that he bases his business program for the farmers of the United States.

The Care-free Bachelor Gains

"BACHELORS Preferred" might be the title of the part of the Revenue Act of 1924 which deals with earned income, as the conferees between the two Houses of Congress eventually left the text. To be sure, it is not everybody who makes his cautious way through the intricacies of the law and official instructions about earned incomes that will realize the advantage bestowed upon bachelors, for the usual taxpayer will have been too beset in trying to avoid the pitfalls to have courage or strength to calculate whether he is better off or worse off than his neighbors, whatever their marital status.

If he has a wife and four or more children, however, and receives more than $10,000 for a year's strenuous efforts, his calculations may have made him curious. He had an impression that he was to get something off on an amount of earned income up to $10,000.

The official form, the law, and the regulations reduce the amount to $5,000. That figure means he cannot have a larger credit for earned income than $35. If he should stop to calculate the credit which a bachelor, or a spinster, or a divorcee with the same income as himself would have he discovers that the credit for any of these persons, if wholly free from dependents, would amount to more than twice his own.

The official explanation would undoubtedly be that the total income tax the bachelor pays when free from dependents is somewhat larger than the tax actually paid by the man who supports a family. Such an official explanation would not be sufficient. At best it merely gives reasons why the term "credit for earned income" should be changed to something else.

Any credit for earned income should be the real thing, and not a piece of make-believe. If there were nothing in the law about earned incomes, the bachelor would pay somewhat more tax than the man with a family. The so-called credit for earned income operates to reduce the bachelor's tax by an amount 100 per cent greater than the tax of our friend who supports a wife and four youngsters.

An Association for Justice

A CRIME ASSOCIATION is an ominous title, but the organization which was formed in Missouri during the autumn, under the style of Missouri Association for Criminal Justice, should bring benefits to the law-abiding folk of the state. Commercial and civic organizations have joined with the bar association in providing a means for making a state-wide survey of the prevalence of crime and once the facts are in hand, devising and getting enacted measures that will bring improvement.



The Lumberman Decides To Settle Down

By WILSON COMPTON

Secretary and Manager, the National Lumber Manufacturers' Association



FOR THE last twenty years the American citizen has had before him the specter of an America without wood.

Today two-fifths of all of the standing timber in America is owned or controlled by the Federal Government or by individual states. The lumberman, instead of being a reckless destroyer of a national resource, plants forests and spends millions in protection of the timber now growing to useful size.

Lumbering was once a nomad industry—cut the timber and move to the next forest. It has become one of permanent habitation, a builder of home towns and the developer of new industries.



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Wilson Compton

THE hitherto migratory lumber industry is slowly adapting itself to new conditions, giving up nomadism and settling down. Its days of adventure and magnificent abundance of forests gone, it turns to cost accounting, hoards the leavings of the saw, gleans the splinters, husbands its trees, and renews the forests. Like the farmer, the American lumberman has hitherto thrived best in new regions.

Each needed a wealth of virgin material to work with to the best advantage—the farmer the untouched soil, and the lumberman the unscathed forest.

Now comes the era that begins in every new country when the easy surplus of natural resources no longer exists. Plenty means cheapness and cheapness means waste.

Under the old conditions the lumberman used the timber on one tract and then went on to another, and to another. Unless he were to be subsidized during his active life and pensioned in his declining years, he could do nothing else. Society invited the depletion of timber before its time by a destructive system of taxation. People lived in lumber houses and would have no other, those who even preferred wooden sidewalks insisted on cordwood for fuel, demanded newspapers that denuded 70 or 80 acres for every Sunday paper, freely and wastefully used wood in the manufacture of more than 2,000 different varieties of articles and commodities, profligately built their railways on wood and swung their lines of communication on tree-poles, and let an empire lapse into wilderness rather than suppress forest fires.

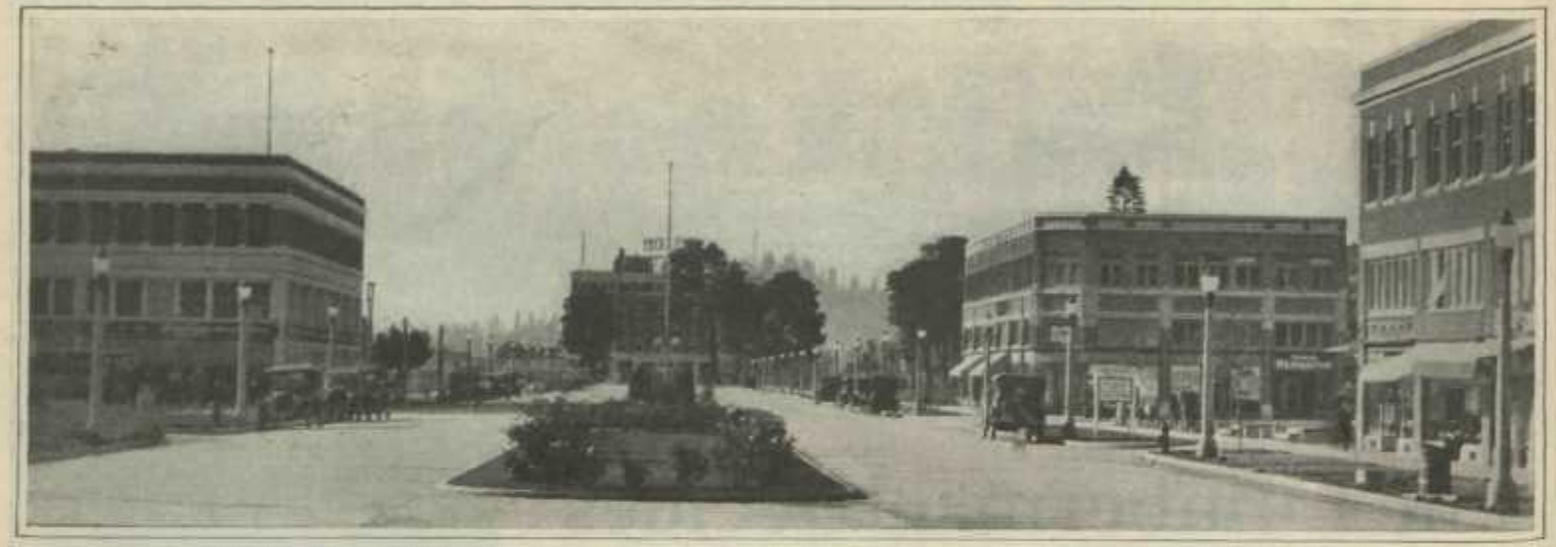
Trees were bound to be cut for their varied products without thought of economy of material or replacement of the forests, so long as men were expected in doing it to make a living and to give stable employment to others, and so long as there was only a money loss in greater economy of material and in re-growing of trees. But now forest products and timber are becoming too valuable to waste. Now comes the era of care with material and of forest reproduction. It comes so rapidly that many of the prophets of lamentation and many of the tormentors of progress are not aware of it.



Reforestation — the planting of trees where once lay barrenness—is one of the greatest works being done by Weyerhaeuser Forest Products and other of our large lumber companies. The Government spends millions for protection of forests but Mr. Compton estimates that the owners themselves spend twice as much in replanting and fire-fighting. At the top we have a crew of workers sowing pine seed on southern land. Below are two men robbing a squirrel's nest of cones to use them for seed

Men conserve value. So we are witnessing a revolution in forest management and also in the utilization of tree products. Private ownership has already replanted ten times as much forest land as all the public forest departments. Timber owners are themselves spending more money than all the public agencies combined in protecting forests against fires. And let it be remembered that fires annually have been burning over nearly double the number of acres of forest lands that are cut over by the industries. Everywhere lumbermen are examining the economic bases of reforestation.

The new forest age has come tardily, but not anywhere near irretrievably late. Almost a third of all the merchantable standing timber in the United States today is on lands that have been cut or culled over once or more. New sawmills may be seen on the sites of the pioneer mills of the seventeenth century. Most of this restoration has been



Does this look like a lumber camp? It is one of the streets of Longview, Wash., a city of permanence built by the Long-Bell Company

the work of nature unassisted, and it would have been much greater if it had not been for destructive forest fires.

The first step in natural reforestation and in waste prevention is to keep out the fires. In the Pacific northwest, where this menace is great and the values at stake are enormous, the timber owners have built up one of the most efficient forest-fire preventing and suppressing organizations in the world, the Western Forestry and Conservation Association.

Working for Permanent Yield

THERE is waste in standing trees after they are mature. Regardless of man, or of his laws or his theories or his practices, forests grow, ripen, die and decay. In the old forest natural depreciation equals appreciation. It should give way to a new forest, but it may be fifty or a hundred years before the new forest can be utilized and revenue-producing. The ordinary system of land taxation, with its pyramiding annual reassessments and its annual payments of taxes, frequently makes the amount of the taxes more than the annual accretion of value from timber growth.

Many states are now changing the system so that forests shall be taxed annually on a low bare-land valuation only, the bulk of their taxation being levied and paid in the form of a yield tax at the time of cutting, when income "comes in."

Significant signs of the new times are to be found in the action of a majority of the redwood lumber producers of California in deciding to put their forests on a permanent yield basis.

The Union Lumber Company led the way in 1922; the Pacific, the Mendocino, and many other companies have followed. Their reserves of standing timber are such that they may produce forever as much lumber as they are making now. They find that they now can afford to, and are, supplanting natural regeneration (which is amazingly rapid in this colossal and long-lived species) with artificial planting; and their new forests actually will be more productive, because denser, than the old ones.

Washington and Oregon have between them about a third of all the standing timber in the United States. The Weyerhaeuser group of timber ownership and forest industries, the greatest in the world, has organized a special reforestation company with a capital of $1,000,000 to deal with reforestation in its Pacific northwest properties.

In the south several of the largest lumbering and timber-owning companies have taken up reproductive lumbering. This is especially true in Louisiana, where taxation and protection against fire are encouraging. Chief of the reforesting lumber companies of that state is the Great Southern Lumber Company which has made its plans to run perpetually on the new forests that it will grow, rising in rotation as the old ones fall.

The small trees that are left, grow and reseed the tract. In due time they are thinned out to promote growth and the culled trees go to the paper mill. Two years before the rest are cut for lumber they are turpentined, and even when they are in the form of boards they are further turpentined by steam. Even the pulpwood chips are about to be compelled to stand and deliver their turpentine before they are turned into paper.

Twenty years ago Henry E. Hardtner began to reforest his holdings at Urania, Louisiana, and now his 75,000 acres of pine timber assure perpetuity to his mill at Urania.

Follow Close Economy

THE Crossett Lumber Company, Arkansas, is another big southern pine operation that has taken to reforestation. The Long-Bell Company, with many mills in the Gulf States, not to mention its tremendous Pacific coast development at Longview, Washington, is intensively studying the problem of utilizing its cut-over lands for agriculture or new forests. The Kaul Lumber Company of Birmingham, Alabama, began reforesting operations fifteen years ago; the Diercks Company of Oklahoma is on a permanent yield basis. The Jackson Lumber Company, of Lockhart, Alabama, is regenerating its own pine forests and is using newspaper display advertising in arousing practical interest in forestry among the timber owners of the whole tributary region.

Forty per cent of the South's pine lumber now comes from previously culled or cut-over forests.

The national forests, holding about a third by volume of the virgin timber of the country, are being continually extended. If need be, they could now supply one-fifth of the annual consumption of lumber without depletion of forest capital, whereas they are supplying only about a thirtieth.

On the side of economies of production and utilization great strides are being made. The sawmill of the Great Southern Lumber Company at Bogalusa, La., the greatest in the south, has abandoned its refuse burner which had flamed day and night for sixteen years, consuming material formerly valueless



An airplane view of a fire eating its way through millions of feet of timber. Lumbermen through their own activities have reduced the annual toll taken by this giant destroyer

that would now be worth $1,500,000. Everything that formerly went to the burner and even the slabs, edgings, etc., that have been used for fuel, now go to a paper mill.

At Cloquet, Minn., the various Weyerhaeuser forest industries are so well coordinated and tree utilization is so complete, that it is considered certain that the tributary country can keep the mills running indefinitely.

This town of 10,000 people was nearly at the end of its rope as a sawmill town in the fall of 1918. The mills had only two to eight years saw-logs ahead of them. Then a roaring forest fire leaped upon the little city, destroyed it, and drove out its people. But such is the lure of home, even in an ephemeral sawmill town, that the people came back to the ashes.

$2,000,000 for a Laboratory

THIS return to the ruins of a town without a future was so appealing that the Weyerhaeuser lumber and timber interests undertook a colossal experiment in domesticating the forest industries of the region. They have spent $2,000,000 in the greatest practical forest laboratory in America, giving permanence to Cloquet and its homes. This enterprise that has salvaged a city envisages the succession of a group of industries based on the production of pulp and small sizes of lumber or wood. It assumes that while it will not pay to grow a white-pine tree to eighty years of age it will pay to grow balsam jack-pine, spruce, poplar, birch, tamarac to stick and pulpwood size. The rebuilt lumber mills are at work again for the life of the virgin timber, at 150,000,000 feet a year.

The box factory of the Rathbone, Hair & Ridgeway Company uses annually 20,000,000 feet of short material from the mills that formerly would have gone to fuel or waste. A toothpick factory uses 2,000,000 feet of white birch logs annually, producing toothpicks, clothespins, even throat swabs and tongue-depressors. The Northwest Paper Company is using annually 100,000 cords of the "weed-trees" of other days—aspen, birch, jack-pine and tamarac.

The Wood Conversion Company takes the waste from the lumber mills and the screenings from the paper mills and makes them into "balsam wool"—for building insulation, sound deadening and other purposes—already in universal use. The same company is taking lumber-mill waste that would ordinarily go to the "hogger" and is making it into synthetic boards, after reducing it to pulp. Another company takes the balsam wool and synthetic boards and turns them into refrigerators.

The Commercial Woodworking Company converts immense quantities of sawmill waste into paper-roll plugs, paper frames, wire reels and other specialties. By the time these divers factories are through with even a little "weed-tree," every part of it is used "except the whisperings in the tree-tops."

The greatest care is now exercised in hundreds of the larger mills to reduce to a minimum the degree of material that is relegated to the cheaper forms of utilization. While sawdust may be used, wood material is more valuable as board than as dust; so in the most efficient mills the band saws are thinned to the exact point of balance of sawed-material value against labor cost.

Out of slabs, ends, and edgings of board-making come lath, shingles, staves, slats, barrel headings, box boards, shims, tie plugs, squares, sprags and special small-dimension stock, crating material, automobile-truck slats, columns, banisters, plynth blocks, pickets, step-ladder stock, broom handles, nursery sticks.

Assuming the development of suitable practical processes, the by-products of the lumber mills of the country could produce all the paper consumed in the United States. Processes for producing carbon briquettes from sawdust and other waste, with the thermal value of anthracite coal, are being developed. Artificial silk evolves from splinters and moving pictures from shavings. Serious study is even being given to the conversion of sawdust into cattle feeds, and the dairy and the lumber mill may yet become joined in the brotherhood of the forest industries.

An Industry of Permanence

I HAVE written as though the forests and forest products were primarily the concern of the lumber industry. In truth the lumbermen are the medium of little more than half of the annual use-depletion of the forests. One-third of the forest land of the country belongs to farmers. Most railway ties—100,000,000 a year—and all telegraph and telephone poles never know a lumber mill. The wood that is annually consumed as fuel would make one-sixth of the country's present lumber production. Fence posts and pulpwood require immense quantities of forest material.

The pursuit of the dollar has brought the forests to their present plight, and the pursuit of the dollar will restore their former greatness and more than their former value.

So, American forestry is graduating from conversation into practice—from a group of wandering industries to one of permanent plants.



The old-time logging camp is passing fast. Compare this little cluster of snow-hidden cabins, far from civilization, with these modern, cheerful homes which are a part of an entire city built by the Long-Bell Company near the Pacific Coast. Truly the lumberman is settling down

We Are One People, a World of Trade

By ALFRED PEARCE DENNIS

Special European Representative, U. S. Department of Commerce

BIOLOGICALLY, economically, socially, this world is organized on the competitive basis.

This has been true since the dawn of history and holds true today. Life is fiercely competitive among the lower as well as the higher organisms. Out of 10,000 young lobsters hatched, possibly five survive the infancy period. In a thicket of young pines thrusting upward for air and light, nine out of every ten are inexorably weeded out.

Business, whether it consists of hunting and fishing or running a department store, represents a struggle to survive. The term *livelihood* takes on a world of meaning. A man is primarily in business in order to live. The flow of cheap foreign food into England in the days of the industrial revolution stimulated the birth rate, and the population surged upward by leaps and bounds. The struggle for food, for a place in the sun.

Now it seems like trifling to say that, as the pace grows swifter and the competition hotter, American business is growing less individualistic all the time. A major swing toward associational effort is taking place beneath our eyes, and we are hardly aware of it. This does not necessarily mean more altruism and less egoism in the conduct of business, but it does mean that the best business brains of the country are viewing industry and trade as partnership affairs as between the producer and the consumer.

If it is important to sell, it is no less important to satisfy one's customer. Merchandising is becoming less and less a fencing match in which buyer and seller exhaust their skill and effort to outwit one another. We are beginning to see that in the long run one's best interest is attained by giving the customer the worth of his money. It is not a matter of altruism at all; it may be nothing more than a form of farsighted self-interest. Altruism has been defined as egoism equipped with a spyglass. It is interesting to mark the growth of associational effort in American business during these latter years — in the world of commerce, in the great businesses of farming, manufacturing, mining and transportation and, within these, an endless number of special trades and occupations.

The primitive trades had to do with getting humanity fed, clothed and sheltered. Give a savage food, shelter and leisure to sleep, and he is content. The wants of civilized man are never satisfied. The luxury trades catering to human tastes and its endless refinements spread out fanlike toward infinity. We have tea tasters, tripe smellers, manicurists, interior decorators, stock-market tipsters, automat cashiers, traffic policemen, dancing-pavilion managers, palm readers, bacteriologists, society reporters, efficiency experts, chiropractors, office managers, haberdashery salesmen, chauffeurs, dictaphone operators, mattress renovators, permanent hair wavers, piano tuners, beauty doctors.

Our intensely complex western civilization breeds new trades, novel occupations.

The striking thing about American business today is its diversity, but through this endless diversity runs a thread of essential unity. Seventy-five million workers going about their daily tasks, each one working out his own destiny in his own way, but each unit after all caught in the coil of a larger unity. Economically no man liveth to himself and no man dieth to himself.

Human units, whether aware of it or not, pull in harness with their fellows. Larger unity is expressed in the tremendous growth of economic associations of all kinds in the past decade, not only in the manufacturing and transportation industries but also among farmers, workers, distributors, until there are today in America probably not less than 25,000 associations having economic objectives.

As men become more and more civilized they discover and acknowledge their dependence upon one another. Economically we are one. The business of this country in its endless diversification may be viewed as an



This Eskimo mother and her two babes depend for their living upon what you and I do and what you and I wear. If the price of fur is good in St. Louis, she—way off on a frozen strip of land projecting into the Bering sea—will smile at these husky youngsters as she tucks them in their wraps. Fifth Avenue styles that in turn react upon the St. Louis market probably mean a new piece of calico for her and two tallow candles instead of one for her babies to chew on. This northern family is but a link in the great big family which business has made of us human beings



unit. The coal miner of the Virginias finds his best market in New England, just as the western cattle dealer finds there a market for hides, the sheep rancher of Texas an outlet for his wool, and the southern cotton planter his best domestic customer. The iron and steel for New England foundries and shipbuilding industries are mined in the west and south.

When depression strikes New England and its textile mills are running at less than half time, the situation is not a matter of indifference for the rest of the country. Hard times in our southern states mean that fewer mules are sold in the St. Louis market, a slowing down in demand for Minnesota bran and Indiana hay. Hard times for the farmers of the northwest mean a bad year for the manufacturer of hickory shirts, farm tractors, phonographs and parlor melodeons. These lines are written in the early days of February, 1925, with the May wheat option above $2 a bushel, corn at $1.35, rye at $1.80. Agriculture stands at the base of our economic pyramid. The stimulus of higher grain prices is communicated upward through mail-order houses, banks, chain stores, agricultural implement concerns, to the very apex of our pyramid of wealth.

Trade Effects Circle the Globe

NOW THE relations between the individual businesses which go to make up the business of the workaday world may be visualized under the analogy of an organism. The whole is dependent upon the parts for its vitality and growth. A hurt done to one of the members is a hurt done to the whole. If the war has done nothing else, it has taught us not only the economic solidarity of nations but of the great world itself.

Let the commercial prosperity of a great nation be seriously affected and the whole business world suffers. Accumulations of raw wool became so enormous in Britain at the close of the war that the Bradford wool buyers, finding their warehouses bursting with raw material, withdrew from the market. There was not a sheep herder on the lonely plains of New Zealand on the other side of the globe who did not at once feel the pinch of hard times; prices quoted at a St. Louis fur sale affect the fortunes of an Eskimo living in his wretched igloo within the Arctic circle. When the French perfume dealers lost their markets in Russia and Germany through the outbreak of the war, rose gardens that had been tended for generations in a secluded valley in the Balkan Mountains 60 miles from a railroad went untended. It had suddenly become unprofitable to grow roses for manufacture into perfume.

The bobbed hair craze in America deprived of their jobs 16,000 women hair-net makers in Chefoo, China.

These great business associations springing up all over the country—chambers of commerce, Rotary groups, credit men's associations, trade associations—include practically every industry of importance in the country.

Behind all these associations which have sprung up and attained robust growth almost within a hand's breadth of time as measured in human evolution, a great purpose, perhaps unconscious and dimly revealed, may be traced. It is the purpose to get things done not by the sacrifice of individuality or human initiative but through the power of pooled effort and accumulated wills.

The individualist, the specialist, gets more time for his particular task through his ability to draw on pools of accumulated human effort, such as reservoirs of light, heat, water, gas, intelligence. Secondly, there is something in the combined wills and intelligences of a great number of human beings that is greater than the wisdom of the individual. Most of the so-called triumphs of individual genius are, after all, simply the fruitage of pooled effort. The automobile, for instance, is an evolution rather than an invention and until electric ignition was invented the internal combustion engine was a thing of no practical utility. It would be heaping truism upon truism to pile up illustrations as to what associational effort has accomplished for the peace, comfort, and security of humanity.

When it comes to trade and business the association can do for the individual what he cannot afford, with all his strivings, to accomplish for himself. The writer from some years of experience has seen the worth of associational effort in foreign trade. The man who wants to sell leaf tobacco or Florida grapefruit in Europe can't afford to set up overseas agencies for hiring warehouses, advertising and establishing credit ratings. The thing, however, can be done through associational effort.

There rises in these associations a road for the elimination of vast wastes through the development of cooperation without destroying competition. A typical associational organization is the Retail Credit Men's National Association. It has arisen out of the necessity for acquiring widespread information in regard to a customer's integrity, habits in meeting obligations, and general ability to pay.

Now our retail business is organized on a strictly competitive basis, yet the units have certain interests in common and they set up instrumentalities for obtaining general legislation in regard to these common interests, such as check protection, bankruptcies and related credit problems. All this is discouraging enough to credit dodgers, but it helps to keep bad debts and losses at a minimum, and all this conduces toward lower prices to the consumer while maintaining high wages and the American standard of living.

Associations Do Big Work

TRADE associations have a great service to perform from the standpoint of self-purgation. It is for them to set up ethical standards in their business and have a care that these standards are lived up to. The unworthy, the unscrupulous, the conscienceless, the men who will not play the game, can be corrected and, if necessary, cast out of good trade society.

Righteousness is a virtue which develops from within; it is not a thing which is imposed by external compulsion. The unthinking impulse is to run to a legislative body for a cure of defects and abuses in the social tissue. In respect to commercial principles we are learning that it is better business to cure abuses from within than from without.

Associations have already contributed amazingly to the improvement of business morals and working conditions. By the statistics they publish as to production and distribution they enable our whole public to form safer judgments. A book might be written as to the contribution of associations to the advancements of our foreign commerce. It is a question whether our problem of unemployment will not be solved permanently through associational effort.

We have recently emerged from the fourteenth business depression since the Civil War. Business depressions are not theoretical situations in which men suffer paper losses; they involve great destructions of human enterprise and capital, and draw in their wake the miseries of widespread unemployment. It is not too much to expect that through associational effort something can be done of a permanent nature to minimize these great waves of unemployment.

A generation ago it would have been thought impossible to remedy periodic financial panics, but the thing has been accomplished through the organization of the Federal Reserve system. Our new banking system means in ef-



And these two women in tropical Ceylon are another unit in our trade world, for they, who make a living splitting cacao pods, are directly dependent upon the tastes and appetites of people thousands of miles to the north of them

fect that millions may be mobilized to meet the impact of an impending financial crisis.

Is it not possible through centralized effort and cooperation to meet the impact of acute unemployment?

Through associational effort the bituminous coal industry may some day be rescued from the vicious circle in which it travels. On the economic side, we have more mines than we need; and 30 per cent more men tied down to the industry than it has any use for. It means a constant fight on the part of labor to get a year's living out of 192 days of work as compared to the 250 to 325 days on which other industries operate during the year. The writer is not presumptuous enough to offer a specific solution to a complex situation, but our soft coal industry is typical of problems which may be met through the substitution of associational for individualistic, go-as-you-please action.

The Farmer Falls in Line

AGRICULTURE, the greatest business of the country, has been the last to lay hold of the principle of association and apply it to the good of the individual. As a consequence the farmer is the only great producer who has been forced into the position where he sells his product on a wholesale market and is compelled to buy his supplies on the retail market. It looks as if the solution of the farmer's troubles were to be accomplished, if at all, through the application of associational effort to the national agriculture. In the case of the farmer, associational effort can be applied not only to the collective purchase of his supplies and the collective marketing of his products, but to the elimination of waste in distribution.

The days of what might be called "secret diplomacy" in American business are passing with the development of the associational spirit. It is difficult for a European to grasp the fact that many of our greatest manufacturers apparently have no trade secrets.

Delegations of foreign engineers, Japanese, Chinese, are freely shown through the Edgar Thomson Mill, which holds American production records of steel and cast iron.

The Ford factory in Detroit will show you everything that is done in turning out an automobile, from the bumper to the tail light. Anyone in the world is at liberty to imitate the Ford methods, but to attain the Ford success means a long process of evolution.

It has come to the writer's attention that the president of an automobile company which manufactures an eight-cylinder car realized that he was losing ground in competition. He went to the president of the Cadillac Company, the premier manufacturer of eight-cylinder cars, and requested permission to go through the factory with his engineers, take blueprints, and reorganize his factory along the lines of the Cadillac. The permission was granted without the slightest hesitation, and the engineers and officials of the competing company spent their entire time for ten days in the Cadillac plant. Tell this story to the heads of European industries and they would refuse to believe it.

In the meantime, in our fluid and everchanging world of business new conditions are always coming to the fore. The greatest industrial people the world has known, rich beyond the combined wealth of any half dozen great peoples on this planet, groping their way forward by trial and error. New areas for associational effort press for definition. May a trade association, working for the benefit of its members, resort to cooperative advertising? May it handle all legislative matters that affect its particular industry as well as attend to workmen's liability compensation, freight litigation, railroad transportation? Can a trade association collect credit information for all its members, arrange for insurance, collect statistics as to wages, volume of production and distribution? These are some of the questions which are mooted regarding the proper problems of trade associations.

Unity in Swarming Millions

THINK of the swarming millions, diverse tongues, breeds and physiognomies which go to make up the population of this planet. In business there is infinite variety, from the Eskimo who sits by the blow-hole of a seal in a temperature of 30 degrees below zero to the half-naked savage scrambling up a coconut tree for his lunch.

Ours is a world of infinite variety in habitations, language and pursuits, different ideas as to what constitutes beauty, religion, moral obligation. Infinite diversity in machines, from the flail of the primitive threshing floor to the great, rumbling contrivance that cuts, binds, threshes, weighs and bags wheat in a single operation. But, after all, neither a world of sheep-herders, mechanics, fishermen, hunters, merchants, but of men, women and children, with human nature pretty much the same this earth over. Unity in diversity.

Community Crook Catching

By WARREN BISHOP

SOMEWHERE between the Atlantic and Pacific Oceans and in the United States is a city of more than 100,000 and less than a million. That's definite enough for the purposes of this article. Moreover, the city doesn't care to spread the story I am going to tell.

It's a city of prosperous factories and fine shops, proud of a well-endowed university, old enough to have a history but not old enough to be musty.

On this city descended a man with an idea. Here, he said, was the ideal place for a motion-picture industry. Sun and scenery were plentiful. An unused factory was just the thing for headquarters. The university buildings would give Gothic backgrounds. There were residences for every kind of scene. There were even unused quarries over which pursued heroines might leap. Nothing was lacking—nothing save money.

A small group of wealthy men who were first approached were cold, very cold. But the promoter was not discouraged. He didn't care much whose money he got, so long as he got money, and he went after it.

About that time the local chamber of commerce, which runs an Investors' Protective Committee, got busy.

They learned something of the past history of the promoter; but before their ammunition was in shape, their visitor had announced his board of directors. On it were:

The Mayor.
A judge.
Two university professors.
A leading clergyman, and
One director of the chamber of commerce.

The chamber committee was reluctant to come out in the open because of the make-up of the board, but they drove the promoter out of town before he'd sold much stock, and there was only a scattering of bad debts to pay. As one of the promoter's board put it:

"We are in for only $5,000, and it might have been $50,000."

"And," said the astute secretary of the chamber, "with the names on that board, plus the lure of moving-picture profits as the public hears of them, that man could have sold a million dollars in stock. It's hard to think that we shall not be a second Hollywood, but it's better to be inconspicuous than broke."

This isn't an exceptional story. It's more picturesque than some, but things like it are happening every day in big and little communities all over the land. And not all of these incidents have "the happy ending." How big is the evil? Here's what the secretary of a middle west city of 40,000 says:

Our Investors' Protective Committee was organized after a survey had shown that approximately $500,000 had gone into fraudulent or highly speculative stock investments.

Ninety per cent of our inquiries came from laboring men, stenographers and women with a little insurance money.

At least 50 per cent of our inquirers came to us after they had turned their money over to the stocksalesman.

It wouldn't be fair to take that one city as typical. If we did, the yearly losses would run into the billions but the executive board of the Associated Advertising Clubs puts the annual loss at more than $600,000,000. A statement credited to the United States Government is $800,000,000 a year. Not long ago the Better Business Bureau of New York said that a billion a year was not an unfair figure.

Put it at any amount; it is still more than the country can afford to lose.

Who is going to fight the crooks?

The chamber of commerce is one agency, and already several hundred of them are fighting, fighting sometimes through a protective committee, sometimes through the chamber's staff. In some cities the work falls entirely on the chamber's shoulders. In others the chamber works with a Better Business Bureau. It's a discouraging work, as any secretary can tell you, for there sometimes seems no limit to human gullibility, and just as one fake scheme is killed, another bobs up to take its place.

And what makes it worse is that the rule "once bitten, twice shy" doesn't apply to investors in bogus securities. If it did, there'd be no market for "sucker lists."

But it is more heartening to read what has been done. Here's an instance of the good an alert chamber can do:

An agreeable young man arrived in Harrisburg, Pa., about two years ago and headed straight for the secretary of the chamber.

"I represent," he said, "a new concern headed by one of the biggest automobile

manufacturers in this country. He plans to make a new car to be put out under his middle name, and we are considering a location in Harrisburg."

The young man, whose company used the name of one of the best-known automobiles, was sure that his factory would be a great thing for Harrisburg, but he wasn't so sure about the type of factory needed, the amount and kind of labor, or the sources of raw material.

He agreed to come back in a week, and this time the president of the chamber, a banker, went straight at him:

"How much stock do you want to sell?"

"Oh, about half a million dollars worth."

"Well, we are not interested."

Pockets $160,000 Haul

THE YOUNG man was astounded and indignant. That a city, commercially alive, shouldn't want a new industry, was too much. He departed, went to a town of about 6,000 in an adjoining state and unloaded $160,000 worth of stock. One car was built, there was a lien on that, and the young man left, leaving unpaid bills and empty pocket books.

The devil of crooked investments is very apt to come in saintly guise. Oil, automobiles, chain stores—these are much in the public mind as profit makers, so that where once the gold mine was the route to sudden wealth, these others now have a stronger lure. Oil-burning furnaces are comparatively recent, but they are old enough to be used by the swindler. A case from the records of the Rochester, New York, Chamber of Commerce shows this. It shows, too, that the men whose money needs the closest guarding are often the readiest victims.

A working man called at the chamber. He had, he explained, always worked for others, but he'd saved up three or four thousand dollars, and he was going to work for himself. He'd found the opportunity.

Three men, he explained, had rented a house on the outskirts of the city and were demonstrating an oil burner on a furnace. It was a wonder. He knew it; he'd seen it work; and he could have the exclusive right to the sale of the burner in and around Rochester for only $1,000. He had to decide quickly, he knew that, or he'd lose the one great chance of his life.

Exposed by Chamber

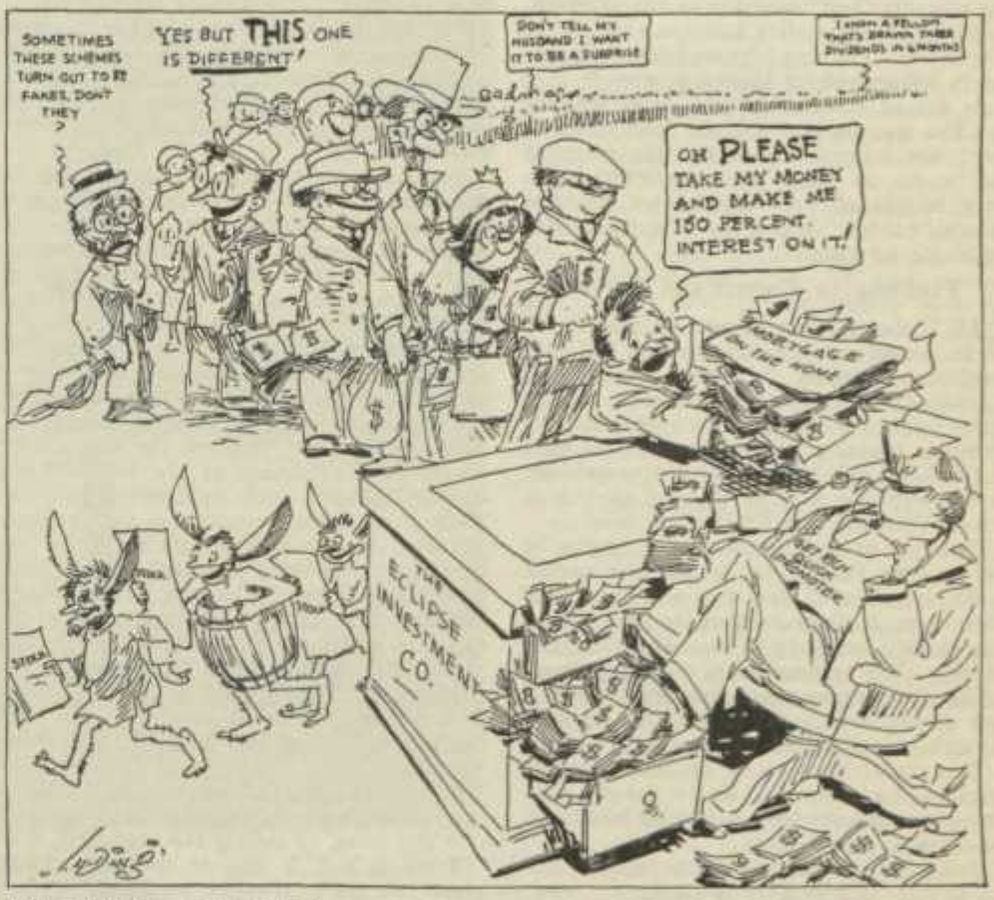
HE WAS urged to go slowly and to give the chamber a chance to investigate. He wasn't very willing to wait. In fact, he'd already paid $200 on the contract.

The company wasn't rated in Bradstreet's or Dun's, and the Rochester Chamber got in touch with Cleveland's Better Business Bureau, for the company whose agencies they were selling was supposed to be located there. Also the Rochester police were consulted. When word came from Cleveland that something was wrong, the men were arrested. One had a criminal record. The case against them wasn't very strong, and when they paid back the $200 they were allowed to leave town.

There's more to this story than the bare telling of a swindling scheme. It's an illustration of how a chamber of commerce works in its task of safeguarding investments. It illustrates the primary principle of cooperation—cooperation with a similar body in another city and with the police in the home city.

The war on fake investments can't be fought single-handed. It calls for every form of offense and defense. The chamber of commerce which undertakes it successfully makes use of its own officers and members, the local banks, the police, sometimes outside detective agencies. Very often it turns to the National Vigilance Committee of the Associated Advertising Clubs of the World. Helpful, also, are the Security Commissioners in states which have a blue-sky law.





COURTESY OF NEW YORK HERALD-TRIBUNE CO.

It would be hard to challenge Ding's right to be called our best teacher of economics by cartoon. Sound in principle, human in treatment, few men in this country are doing more to spread the gospel of sanity. In an early number we are going to tell something of Darling and his work

The task of the local chamber is sometimes complicated by the very fact that the doubtful promotion arises within the community. The man who starts such a swindle right at home needs more nerve, more skill; but if he does put it through, his haul is bigger than that of the fly-by-night from another town.

Dayton, Ohio, can contribute an experience of this kind. There blossomed out in that city one day an elaborately furnished office. Nothing was lacking. Outside an alert secretary waited to usher in those who passed examination. Inside was a big man, a very big man, who arose behind what seemed a square mile of desk and towered over his callers.

He was impressive but cordial, and he told just as much about his business as he wanted the inquirers from the chamber of commerce to know.

A great chain of grocery stores on wheels was the idea. The advantages of the plan were evident. Convenience to consumer, of course, figured first. The store of quality goods would go right to the door. Quantity buying would result in substantial savings, and, furthermore, every customer would have the opportunity of being a stockholder.

No Holes on Surface

ANY holes? Not that anyone could see.

"May we have a financial statement to use confidentially as a basis for recommendations to our members?" he was asked.

"No," he replied promptly, apparently prepared for the question. "The interests that I represent object to giving out that data."

"We would like very much, then, to have the names of your officers and directors."

Again with one of those studied forms of refusal designed to give no offense, the promoter said:

"We do not care to make the names of any of them known until our business begins to prove its worth on its own merits. I am president and general manager, you know."

Final proof was ready in the shape of a

communication from a large motor-truck maker, telling when the first trucks would be delivered.

There was a large amount of newspaper publicity and a formal "opening" of the business. There was not the slightest outward trace of fraud.

A leading citizen became conspicuously associated with the enterprise, and more prestige was added. Finally, an official of a national business organization of sound standing visited the promoter to investigate his revolutionary methods of merchandising. The report was spread that this man had made a substantial personal investment.

An energetic sales organization was built up. The massive promoter personally conducted the morning "pep" meetings of the salesmen. Inquiries began pouring into the chamber of commerce. The big "ground-floor" opportunity had arrived for Dayton people.

As far as business experts could see, the new idea was sound. Still the financial statement was refused. To doubt the merit of the "stores on wheels" was apparently contrary to one of the very reasons why the chamber existed. Was it not formed to foster legitimate enterprise?

Fighting to Protect the Purse

STILL the chamber urged that investment be put off until satisfactory data had been supplied. Generally the advice was heeded, although there was no little criticism. Then another morning not long afterward found the promoter reposing modestly behind the bars in the local jail, charged with appropriating to his own use a large part of the funds derived from the company's stock sales.

With half of the chambers of commerce of the country fighting to protect the pocket books, not alone of their members but of the whole town, it is natural that the men who go after money are ready to meet the chamber's attack. Their arguments are along two lines:

That the chamber simply represents the rich men of the town; that it is trying to keep the rich man rich and the poor man poor.

That the real reason for opposition by the chamber of commerce is that it doesn't want any money to leave town no matter how much the investor would profit.

Both these arguments must be met and can be met, as I shall try to show.

Another question raised is: Why not let the authorities do this work?

They can't. There has been a movement for uniform legislation by the states in dealing with this evil, but that goal is still a long way off, and until it is reached the task of one community will be very different from that of a neighbor city in another state. Even in the same state conditions may differ widely. Foreign-born residents who have not yet acquired a working knowledge are sometimes a difficult problem.

Allentown, Pa., had an unusual situation to meet a year or two ago and met it effectively and in a way to answer any charge that a chamber of commerce is a rich man's organization.

Securities were being offered—and sold—in a company with this surprising proviso: that a ton of coal would go with every share of preferred stock. The chamber objected to the promotion, but the sales went on. About that time Allentown passed a blue-sky law which required a license to sell securities, but the coal-stock sellers went on without waiting to have the application for its license approved.

That was the chamber's chance, and six months later it was able to get returned some $60,000, most of it to men who could not speak English. This was for stock sold after the Blue-sky Law went into effect.

How far advice should go, and how to deal with cases where there is no actual fraud, where the risk is merely speculative, are difficult questions to meet. Here is a case the Harrisburg, Pa., chamber did meet:

Residents of that city were being urged to buy units which, when 100 were purchased, would entitle them to a share of a well-known automobile stock. Now there was nothing to be said against the stock. The trouble was that the sellers wanted $6 or $6.50 a unit, which means $600 or $650 a share, at a time when the stock was being sold in the open market at about $450.

Chamber Is Detective, Too

THERE the chamber appealed for help from newspapers to kill the scheme by publicity, and the effort was very successful. In that case, also, the motor company whose stock was involved was publicly attacking the "unit" method of sale.

No one needs to be told that the seller of fraudulent or too speculative stocks is a skilful and a plausible man. Sometimes he is able to associate with men whose reputations are outwardly good, and then the job of the chamber of commerce is just so much harder.

In Trenton, N. J., the chamber's Committee on Stock Promotion found itself fighting a "financial corporation" which numbered on its board former high officials of three different states. With the help of the Community Protection Department of the W. J. Burns Agency the fact was established that the stock given to the promoters of the company and sold to the peddler of "securities" at $8 a share was being unloaded on the public at $62.50 a share. Men who had subscribed to this stock were called together and the situation explained. Something like $15,000 worth had already been taken before the chamber got its big guns in action. Then it called on the newspapers and the local luncheon clubs, and they helped broadcast the warning.

Another instance of cooperation! Chamber of commerce, detective agency, luncheon club and press, all pulling together.

Trenton, too, is one of the many cities which find the local police invaluable.

"The local detective bureau's cooperation with us has, we are convinced, saved the citizens of Trenton several hundreds of thousands of dollars during the past two years," says the secretary.

Theoretically it would seem to be an easy thing to tell a man that someone was trying to rob him and to persuade him to keep his money in his pocket. Actually the lure of quick profits is so strong, the vision of sudden riches so clear, that men hate to be awakened from their dream.

Now and then a warning has an unexpectedly quick effect.

In Allentown, Pa., the chamber has been carrying on an advertising campaign against fraudulent stocks. One of its bulletins was headed:

DON'T CRY IF YOU GET STUNG!

A prosperous contractor had determined to invest in some stock put out as part of a nation-wide stock-selling campaign. His banker warned him, but he called the banker an old fogy, drew out $4,000, and headed for the office of the stock salesman. On the way the slogan I have quoted caught his eye, and he decided to drop in at the chamber's office. There he learned enough to go back to the bank and redeposit the $4,000 just drawn.

The stock sellers undertook to fight, and their chief came to the chamber and declared that their attorney was coming to bring action for spreading false reports. The chamber welcomed him with open arms and said that it would pay all the costs of any prosecution that might be brought and promised to give the fullest possible publicity.

The suit ended then and there.

Creating a feeling that bankers are overcautious and selfish is a pet weapon of the stock swindlers. In Ashtabula, Ohio, a loan company opened branches and started to sell stock. They applied for membership in the Ashtabula Chamber and were loudly indignant when their application was turned down because the directors didn't think their financial methods sound.

The loan company's officers said the reason was plain. The chamber was tied up with the local banks and was bound to fight, for selfish reasons, the entrance of any other financial institution. This argument was very effective in selling stock to working men, but the chamber went on with advertisements urging the thrifty to investigate loan companies before they invested in them.

The loan company has since failed.

The alliance with newspapers through advertising and through the publicity they can give to evil promotions is one of the strongest assets a chamber has. The Chamber of Commerce of Paterson, N. J., can confirm that. An oil company, that is an oil-stock selling company, came to that city with an elaborate advertising campaign. One of the three newspapers didn't like the copy and asked the chamber for a report. The report was sent to all the papers, and all refused the advertising.

"Dollar-down-and-dollar-a-week" methods do not appeal to the salesmen of fraudulent securities. They are as eager as any retailer for a quick turnover. Yet concerns of questionable standing sometimes use this method and sometimes come in contact with local business bodies.

There Is Also a Teaching Job

THE Joliet, Ill., Association of Commerce had such a case to deal with. A branch of a brokerage house in a large city undertook a mail-order campaign to sell bonds over a term of 50 weeks, with a choice at the end of $55 in cash or a $50 bond. The company wasn't qualified under law to carry out the terms of its offer and was forced to withdraw it. The Joliet Association feels that checking this doubtful bit of business would alone justify its existence for a year.

The worthless-stock evil is a serious one. That much has been shown. Fraudulent investments cost the people of this country hundreds of millions a year, and most of it comes from the pockets of those who can least afford it.

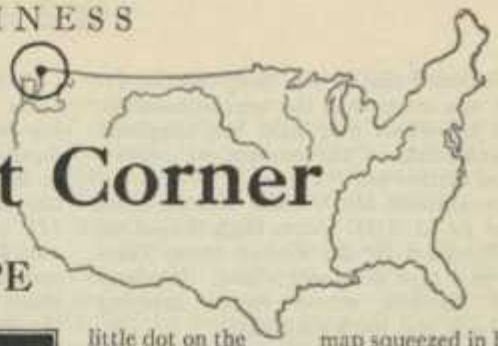
The chamber of commerce has one of its best jobs in fighting these frauds and it fights best when it fights with every ally, the newspapers, the banks, the luncheon clubs, the local police.

And not all the fighting will be along the line of detective work. Too often that results in shutting the pocketbook after the money is stolen. Chambers are finding more and more that they have a teaching job also, that they must go to the community with some information about the principles of sound saving and sound investing.

Does it pay?

Here's the answer of the secretary of the chamber at Holyoke, Mass.:

"When the Ponzi bubble broke, it was found that our town had almost entirely escaped."



I Visit Our Northwest Corner

By MERLE THORPE

FRANK NORRIS, according to O. Henry, once said that there were only three American cities in which real romance could be found—San Francisco, New York and New Orleans. Thereupon O. Henry proceeded to disprove Mr. Norris' statement by writing a masterpiece of fiction with the setting in Nashville, Tenn.

We Americans, the majority of us living east of the Mississippi River, think that the interesting industrial and commercial development of the United States is restricted to this side of the continent, just as Mr. Norris thought that romance had a home only in New Orleans, San Francisco and New York.

A radio wholesaler in Massachusetts told me last summer that the radio industry was in its infancy. "When," said he, "the middle west and the far west learn of the radio, we can't supply the demand."

He did not realize there were probably more radios per thousand population on the Pacific coast that very minute than in New England.

A Country of Families

BUT IT is a common misconception. Distance lends enchantment but also piles up a fine assortment of misinformation and downright ignorance.

I happened to visit the farthermost northwestern section of the United States a few weeks ago, and I received an eyefull. It is not a story of smoke stacks, furnaces and steel construction necessarily; not one of mammoth institutions, groups and combinations. That corner of the country still belongs to the individual—to the family.

Not Spokane, that metropolis of a great inland empire, nor Wenatchee where apple-raising is at once an art and science, nor those virile cities on Puget Sound, Seattle and Tacoma; none of these is the burden of my song today. It is laid north of Seattle, 100 miles north, at the northwesternmost tip—a little dot on the map squeezed in between the Pacific Ocean and British Columbia.



Transportation in the 20th century fashion. From Canada to Mexico this road runs, unbroken. Where our pioneers once built railroads, now they are building paved highways. Ten years from now—or five, or twenty—they may be building landing fields and mooring posts

What is going on in this outer edge of our national rim? One impression dominates. It is in the form of a very motherly, kindly looking, white hen. This particular manufacturing institution, while unimportant in size and value, was nevertheless impressive. Last year she produced 312 eggs.

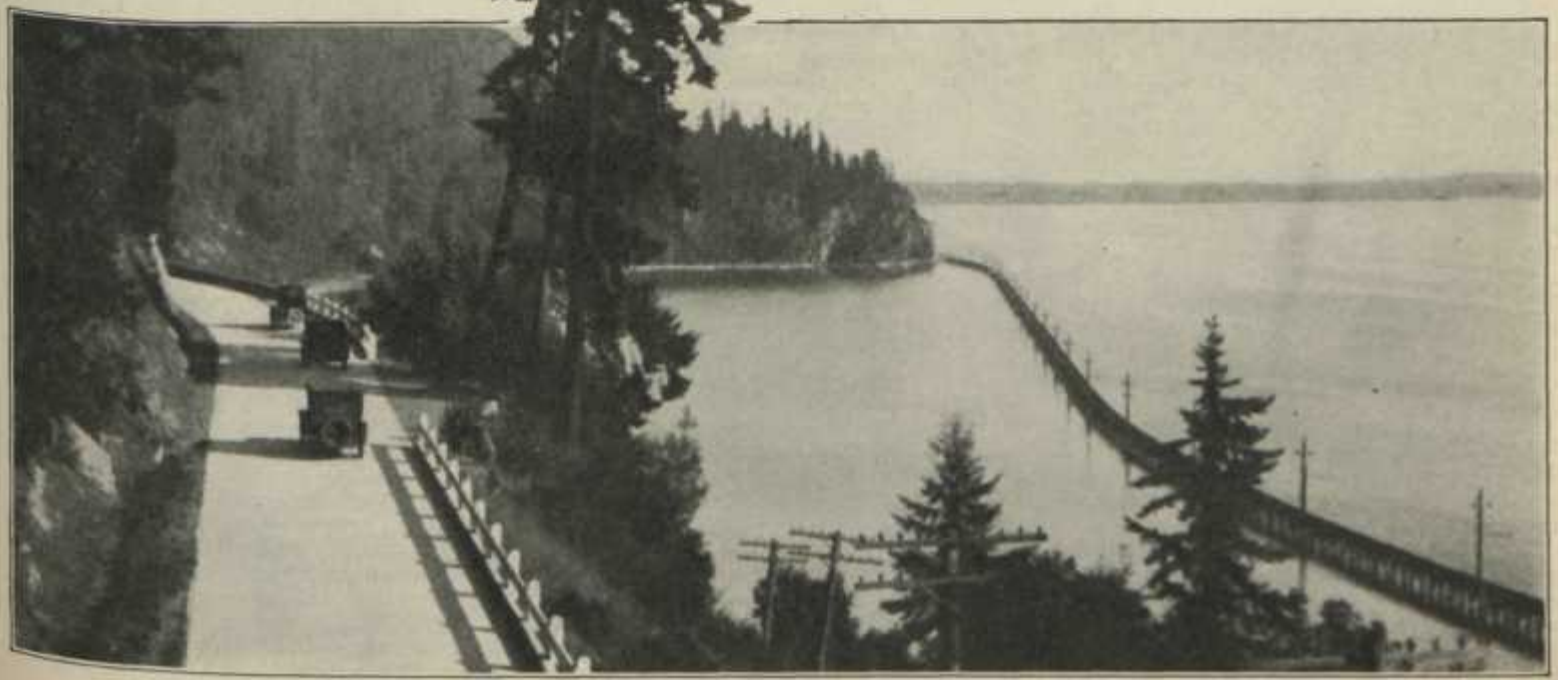
If there is any manufacturing plant in the east that can rival this in mass production and low labor turnover and a larger yield on capital invested, I hope to hear about it. It deserves a story.

This hard-working hen, interesting as an individual, is a symbol of the activity of the Pacific coast—small units, closely held, but intensively productive. A short lifetime ago the only hens in that country were the ones which had escaped from the captain's coop on a trading vessel, or had been nursed across the plains in a covered wagon. Here history is again running true to form—small industrial plants, by means of efficient management, fighting through to success at home and then on to national reputation.

A "Drink-to-Drink" Highway

OUT there, too, is a paved road 1,854.2 miles long, popularly known as the "Drink-to-Drink" Highway. It reaches from British America to the Mexican border. The usual filling (gas) stations dot the route and the road is lined with small but important industries in the form of farms and orchards, poultry houses, with flourishing cities and villages, and everybody working like the hen—everybody producing.

On this road from Seattle, we swing north through King and Snohomish counties. We note in the city of Everett, the country's premier shingle-producing center—a million shingles an hour—that the trolley lines have been torn up and busses are in opera-



tion. We recall that it was here that an experiment was made with the telechronometer, a device by which you paid for telephone service according to the amount of conversation you carried on.

We pass through Mt. Vernon, slowing down to look at its $250,000 Union High School recently advertised by the United States Government as a type of model school. It represents 14 districts, school busses carrying children back and forth each day.

Just beyond are two milk condensers, fruit and vegetable canneries, a cereal mill, a brick and tile plant, a new $200,000 county courthouse, interurban auto stage, and railway, and oceans of flowers.

An interesting and unusual point about this section is that no land is for sale. Unfailing crops are the habit of these fertile acres in the shadow of Mt. Baker, acres whose drainage and engineering problems were ably solved by the beavers through thousands of years.

Millions from Their Cows

ONE cooperative association, the Skagit County Dairymen, marketed last year two and one-half million dollars of condensed milk, butter, milk powder, cheese, and other by-products of the humble cow.

The long lines of hen houses caused remark, and we called upon H. L. Willis, "an authority on eggs" our friends told us.

In 1909 Mrs. Willis undertook to prove to Mr. Willis that seventy-five leghorn pullets were more profitable than his best cow. She evidently proved it for today he has five houses, averaging 200 feet in length, with granaries attached or conveniently near, with a combined capacity of 7,200 hens. Each plant has an electric motor and small grain elevator so that the feed is mixed on the first floor and delivered to bins above. All houses are plumbed for water which runs constantly in shallow troughs on the wall. These hen houses also have heating systems.

Returning at night we noticed hen houses lighted and learned to our surprise that automatically the lights were turned off at 10:30 p. m. and on at 4 o'clock in the morning, working the poor hens much longer than any labor union would possibly permit. There ought to be a law——.

The lights evidently turned the trick for a million dozens of eggs were shipped from this section alone last year—the brown ones to Boston, the white eggs to New York City. We were reliably told that these eggs brought a premium of ten cents a dozen in these eastern markets.

Brown Eggs for Boston

BOSTON thinks brown eggs are better. New York thinks white eggs are better. There is a whole economic sermon in this—yes, and a human trait that will play hob with many à finespun economic theory.

The business of eggs! The eggs are all graded, every egg candled before shipping, the extra cost eagerly taken up by consumers who appreciate a superior commercial article. Some of the Alaskan customers of Mr. Willis have sent in repeat orders for fifteen years.

A year ago I wrote of cock fighting in Cuba. Today I sing the praises of hen fighting in the northwestern corner of our wide domain. But here the hens fight in a contest to increase the material wealth of their owners—one contest covering twelve months with 225 birds entered. The average production was 210½ eggs per hen. Two birds in the contest laid 312 eggs each. When one considers the average hen lays around 75 eggs, the feat inspires applause. I paid my respects to one of these hens, Lady Jane, and had her picture taken for the readers of the NATION'S BUSINESS together with 312 eggs representing the output of this single unit of the hen factory in one year.

But eggs are not the only source of revenue on the Willis farm. In the early spring a visitor can see acre on acre of rhubarb on the friendliest of terms with great masses of daffodils. The rhubarb finds a ready market in California and is shipped there by the carload, and the daffodils have a strong appeal to local trade. There's diversified farming for you: eggs, pie plant and posies!



Meet Mary Jane. She isn't one hen. She's three if you measure her by her year's output piled up in that basket. Just about what three scrub hens will do. And that hen is typical of our northwest corner

A little farther is the ranch of Charles Gaches who holds a certificate from the Government indicating that his crop of oats of 187 bushels per acre establishes a world record. He has also grown more than five tons of hay per acre on a 20-acre tract. In Skagit County two million bushels of oats are raised annually. Potatoes and other root crops yield from 250 to 600 bushels per acre.

A quick look at the four milk condensers in La Conner, with a combined capacity of 650,000 pounds of milk a day brings forth the information that this county alone, in a single day, cans 300,000 pounds of milk, besides making butter out of 75,000 and selling 150,000 pounds to customers. Scientific methods prevail.

The dairymen have no use for scrub stock; all are thoroughbred, and their houses are kept immaculate. The ranch we have just passed, owned by J. H. Hulbert, bred and raised the world's record-breaking cow (Ormsby Segis Marie). She was recently sold for $12,500 to a California firm as the foundation animal for a great dairy herd.

Eighty per cent of the cabbage seed grown on the American continent is produced in this county and sold all over the world. In fact, vegetable seeds from this section are exported in large quantities to South America, India, South Africa, the Orient, Australasia, and many European points. The department of Agriculture tells me that in one year 1,524 acres of cabbage yielded 1,300,000 pounds; 300 acres of beets, 8,000,000; 400 acres of turnips and rutabagas 650,000 pounds; 169 acres of spinach, 180,000 pounds; altogether about 2,500 acres with a crop return of over $2,000,000, or $800 per acre.

Land Is Not for Sale

IS IT any wonder that the invariable reply if you ask about land values is: "The land is not for sale."

Again science prevails. This planting stock is used from selected specimens and records are kept of cabbage seed as complete as any record that is kept on pedigreed animals. I saw one of these records running back for more than twenty years.

A little to the left of us are 172 islands in Puget Sound. On one of these, Fidalgo Island, are located ten saw mills, box factories, and shingle mills; seven canneries, which have given Anacortes the title "Gloucester of the Pacific," more salmon canned there than in any other place in the world; four establishments on this island are devoted to the curing of Bering Sea codfish. There is also a glass factory, and a paper mill—in all, more than thirty manufacturing plants in operation daily.

Just now big preparations are under way to take care of a large pack of salmon. The pink salmon of Puget Sound run every two years and appear in the odd years—hence the preparations for the large run in 1925. The sock-eye run in cycles of four years, the last so-called big run having occurred in 1921. This year, therefore, Puget Sound is making preparations for a big season.

Historical of Frontier

UNTIL recently it was impossible to reach by automobile the San Juan Islands, that virgin section of Washington's richest acres. A motor ferry is now in operation, and if we had time we could swing over to the largest of the group which comprises fifty-eight square miles, and bathe in water warmed by the Japan current, or climb Mt. Constitution, 2,400 feet high. There we should find immense limekilns, historic spots, where in the days of "54-40 or Fight" the United States and Great Britain barely avoided a serious conflict over the boundary line.

On one of the islands, Friday Harbor, is a biological station where forms of sea life are studied. The Government says that here the finest strawberries in flavor and yield are grown. Throughout these islands we can see

well-run farms, many with twin silos, with independent lighting plants, with orchards, extensive fields and many modern homes.

One of these, Cypress Island, is used largely for raising goats, and several thousand roam the island at all times. Others are used for breeding silver foxes for their furs, and one item of operation is eliminated—that of fence inclosures.

On we spin and a huge saw-mill tells the tale of another chief industry. A warning shout, two axe men run for their lives, a forest giant snaps its last supporting sinews, gathers momentum, and falls with a roar and a crash. Two hundred feet of straight timber! All the years since Columbus are recorded in its concentric rings—its log of life—and the last ring measures twenty-four feet around. A great historian is dead but the life of service is really just beginning, for out of this tree is lumber enough to build three six-room homes.

On up the narrow valley of the Skagit, over sharply rising hillsides, past gardens, hothouses and poultry yards, dairy barns and pedigreed stock, salt-water bathing beaches, log and saw-mill towns, fishing from the wharf, summer homes and camps, past innumerable lakes and mountain streams, to the northern most part of the section.

Across the very eyebrow of a cliff, now circling a dizzy corner over an overhanging rock, here dodging into a bower of forest and fern, now looking down, down, into the blue waters of Chuckanut Bay, this twenty-foot concrete highway circles the shoreward side of Chuckanut Mountain, literally hangs out over space—and on to Bellingham.

Three miles of this road cost $35,000 a mile. The state maintains an inspector for the road. Where the roadway was blasted from outjutting rock liquid cement was sprayed through a compression air gun into the cracks and over the surface to keep the rock from cracking and crumbling

Here a large building, which now bears the sign of a sanatorium, which was built by James J. Hill so that he might have a suitable place to stop while overseeing the construction of the Great Northern.

Bellingham, our northwesternmost city, 35,000 population, has the largest normal school in the state, twenty-three public parks, forty-nine churches with an estimated attendance of 21,000 weekly, one of the finest deep-water harbors on the Pacific coast, busy with world-wide and coast-wise shipping. Bellingham is a port of call for twelve steamship lines. Last year its lumber mills had an output of $10,000,000; its coal mines 300,000 tons; and each day sees the production of 2,000 barrels of cement. Three salmon canneries are in operation. Last year's pack was valued at $5,000,000. Further on is a large fruit cannery with an annual pack of $800,000.

Spring Time Is Tulip Time

SPRINGTIME in Bellingham is tulip time and thousands travel each year to attend Bellingham's tulip festival. The United States Government has a bulb experiment station here, and in spite of the fact that Holland has developed the tulip for more than three hundred years, bulbs have been produced in Whatcom County said to be in every way the equal of the best Holland bulbs. Hats off to our northwestern county! This is beating the Dutch at their own game. And in addition to tulips—daffodils, jonquils, and hyacinths are bidding for national and world trade.

I went to Bellingham to be present at the inauguration of a million dollar sugar-beet factory. After four years of experimentation, a large sugar-beet concern of Utah has found that an acre in this section produces nearly twice the number of tons of sugar beets that can be produced in any other section of the country.

A fine spirit of cooperation prevails between the two classes of business, city and rural. The farmers agreed to plant so many acres of sugar beets; the city made it possible for the factory to be built.

A prolonged fight was made as to the location of this sugar-beet factory. Bellingham was finally chosen and the remarkable thing is that all bitterness over the contest is forgotten, everyone turning in to make the venture a success.

"For," said a banker from the defeated section, "if this factory is a go we'll have another one in our city in a few years."

A few miles outside the city two hydro-electric plants are under way, a thirteen-million dollar one to furnish power to the city of Seattle, and an eight-million dollar one for the Puget Sound Power & Light Co. For these American citizens of ours, in common with the rest of us, are living in the radio age. They must have modern light, and modern heat and power, victrolas, vacuum cleaners, automobiles, and all of the things that industry has brought to the rest of us to make life more worth while.

If every cynic, every pessimist of our American life, and the industrial and political institutions under which we thrive, could be given a ticket which would carry him across the continent to these American outposts, allowing him to get the feel of the throbbing, energetic, patriotic, forward-looking life, he must be a seasoned cynic, indeed, who would not respond. To see it is a wonderful tonic; to feel it in all its significance is to have one's faith in America renewed.

So much for our farthermost northwestern corner.

And to paraphrase O. Henry again, I wonder what's doing in Key West?



No wonder our northwest corner grows great! Could any man live in sight of Mount Baker and of trees like this without feeling the stimulus to worth-while things?



"There goes old Dr. Jill with his little black bag. I dare say that my prescriptions have relieved more seemingly hopeless cases than his. And right behind him, entering the Jones drug store, is the Rev. Joseph Walker. I hazard the guess that my suggestions have made as many weddings as his own essential words. It is between the acts that I come in—I, the country banker"

A Country Banker Sees the Show

As Told to WELLESLEY TUFTS

Illustrations by R. L. Lambdin

FOR TWENTY years I, a country banker, have occupied a box seat at the Little Theater of Life.

Just beyond the plate glass of my office window, with Main Street as a stage, have played all the puppets of human drama.

I like to think that I see more of the show than many of my brethren of the big cities, because I have the time and the opportunity to follow each scene from curtain to curtain.

There goes Olaf Swenson—big, fine Swede with heart and hair both gold.

Olaf and I are partners, in a way. I alone know the financial travail of Olaf's rôle the past four years. Only I, of all his many friends, share with him the full thrill of the mortgage-lifting denouement. Crops again may fail—markets again may tumble—but from now on Olaf and I stick together. I've found him to be a good actor.

The Building of a Bungalow

AND yonder, going into Pete Herman's General Store, is Tommy Watts and Mrs. Tommy and the recently arrived Tommy, Jr. Except for a certain heart-to-heart chat that Tommy and I had one year ago last October, our little town might be the poorer by one bungalow and one robust young citizen.

Twenty years ago when I came into the First National Bank as bookkeeper and general flunky I harbored rosy ideas of some day becoming a great banker. Since then considerable dust has fallen on my old-fashioned roll-top desk. I've advanced from back office to front. The matting beside my swivel chair and the hair on the top of my head have both worn thin.

I'm still far from being a great banker and, anyway, I'm too much interested in the folks at home to try my hand at mending foreign currencies. I'm afraid I've become more of a specialist in human nature than an expert at money changing.

There goes old Doctor Jill with his little black bag. He and I are of the same fraternity. I dare say my prescriptions have relieved more seemingly hopeless cases than his.

And right behind him, entering the Jones Drug Store, is the Reverend Joseph Walker. I hazard the guess that my suggestions have made as many weddings as his own essential words.

So far as that goes, more than one house has been built right here in this bank before ever architect drew the plans or carpenter drove a nail.

It's between the acts that I come in—I, the country banker. *My* participation is represented by such lines in the program as "The curtain will drop at this point to indicate the passing of three years."

There goes Joe Piper. He's one of the biggest landowners in this county, and just now he is undoubtedly one of the "hardest up."

I told Joe when I renewed his note that things were going to be pretty tight hereabouts.

But Joe only laughed, branded me a hopeless pessimist, and bought an additional eighty. Of course that required more mule power and machinery. The $6,780 that the entire outlay cost him would have come within $500 of meeting his obligations at this bank.

Joe, in an impulsive, unintentional way, is a living example of the prodigal investor. I can't help liking him. And yet I cannot but admit that his own cocksureness is his greatest liability. After due warning I renewed the note, because I knew the strength of Joe's character and capacity and the admitted value of the security.

Joe, the Land Plunger

JOE followed a well-worn path. Like others, he fluffed out his ego and enjoyed visions of himself as a sort of agricultural gay-boy who was about to have his fling and find it profitable. And presently he would come home to dine on the golden calf and the silver cockatoo's tongue and other Biblical and un-Biblical delicacies.

All Joe Piper needed in order to put himself on Perpetual Easy Street was more land, he reasoned. The more land, the more dough.

But Fortune is a fickle lady. She's off again, on again, gone again—mostly never again. The prodigal investor, in the person of Joe was

bumped by unfavorable markets, high taxes, lowered land values, and more farm than he could work. And he is having to nurse his own bruises.

It is a common human tendency for folks with surplus funds to be extravagant. Memories are short, and each mortal thinks he's the exception—that he's been vaccinated by Fate against disaster. The farmer knows and understands land, realizes that it cannot be swept away by fire or panic, and naturally turns to it as being the best bank for his money. That's all right so far as it goes, but it is bad practice to deposit large funds in one bank when you are owing big sums of money to another.

Now take Frank Barnes there, who just came in. He represents the diametrically opposite type. And if you'll hang around here as continuously as I, you'll find that he's the kind who makes regular savings deposits.

The Man with the Hoe

FRANK is the *Man with the Hoe* himself. A mule, a little pocket of land not much bigger than a handkerchief, a thorough knowledge of truck crops, meticulous attention to details, hard work—that's his recipe for prosperity pudding.

Frank has a home equipped with modern conveniences. Even his hen houses have electric lights. His wife doesn't lug water from a well, or carry wood in from a shed. The Barnes kids have long since stopped taking their Saturday night baths in a galvanized tub on the kitchen floor.

Choice onions, asparagus, lettuce, tomatoes, cauliflower, sweet corn, beets, peas, cantaloup, squash, butter, milk, eggs, friers, bush and tree fruits, and spinach—quality goods, trade-marked packages, and a carefully cultivated select market: these are the stuff that beds down success for Barnes. His 16 acres last year netted him $3,081.50 cash profit.

This *Man with the Hoe* doesn't want more land. He has just enough to keep him busy the year round. He doesn't need or crave much more machinery. He has a car, a truck, a lighting plant, a heating plant, running water in house and barn.

More than all this, he has plenty of good things to eat, and a home—a cozy bit of peace and comfort, built for the years, with a lawn and trees and flowers. He has followed the evangelist's injunction. "Brighten the corner where you are."

Frank is not an old man, and he has sense enough not to retire while there is yet a hungry world to feed, while pure air and blue skies and friendly earth and the sweet aromas of growing things still allure. In short, this particular *Man with the Hoe* loves his calling. And follows it. And doesn't let a shaft of prosperity hurt him.

As I look out of my window, toward the right wing of this Main Street stage, I see leaning against one of the posts of our much-vaunted Great White Way, one bumptious Bob Timmons.

If there's one man in this little town whose talk I'd like to see choked off, it is Bob. He's probably telling his curb neighbor at this moment that *The Interests* have bought up all the banks in the country. Yes, he's waving his arms—no doubt illustrating the appearance of the Wall Street bogey as it throws its vile shadows over the operations of the First National in the old home town.



"Now this here Wall Street——" Bob Timmons is probably telling his curb neighbor at this moment that "The Interests" have bought up all the banks in the country

The man he's talking to is a depositor.

Why doesn't Bob explain that he wanted a loan of $650 and couldn't get it and, therefore, is nursing a grudge?

Why doesn't Bob say that he hasn't ever kept books, that he never knows whether his farm comes out loser or winner, that he has no definite idea of his actual loan requirements, that he is unwilling to put up adequate collateral to protect the bank's depositors from possible loss?

Bob is like many other chronic whiners who want the rules of the game adjusted to their own peculiar style of play. If they can't do their own refereeing, well, they'll quit and go home. Some day Bob Timmons will voluntarily decide to experiment with business methods. And when he finds that modest capital has become readily available to support his modest needs, he'll be doing his rooting in the opposite bleachers.

Of course, I've been here long enough to have a pretty fair conception of the character and earning capacity of those who come to me for loans. But if this were not so, I could almost ascertain the good risks from the attitudes of those seeking funds.

It's highly amusing to see a fellow who is a regular worm in his own household wax bluff and blustering as he outlines his desires. Going to a bank for capital is an ideal exercise for hen-pecked husbands.

Then, there is the timid, hesitant, discouraged chap who is into things pretty deep. The outlook is mighty dark. He lives by faith, love and ideals, and he despises himself for his failures. He it is who gets every personal sympathy and help that I can muster, and every penny that the bank is justified in advancing.



"Why, I'll come back in five years with enough to buy two banks like this—" It's highly amusing to see a fellow who is a regular worm in his own household wax bluff and blustering as he outlines his desires. Going to a bank for capital is an ideal exercise for hen-pecked husbands

And lastly comes the business man of agriculture. He knows what he wants, why he wants it, how he wants it, and when he wants it. He has the record of his farm, the record of himself, and the prospectus of his future operations, with which to back up his own findings.

This man doesn't ask for too much at a time. He doesn't deliberately lay himself open to extravagance. He doesn't commit himself to assuming a heavy interest burden. He takes his money only as he needs it, and takes it with the understanding that more will be forthcoming at later intervals through the season.

Who are the best business farmers with whom I deal? You may be surprised when I tell you.

They are, take them as a class, the Norwegians, the Swedes and the Bohemians, and an occasional Dane, like Old Man Nielsen yonder in front of Abe Benson's haberdashery. As a rule, they appreciate the remarkable credit facilities of America more than citizens of longer standing.

The "Princess" Herman

THEY are thrifty. If they need a hundred dollars to make a crop, they come and get it. They pay on time, rarely asking an extension. They dislike forking over more interest than their operations justify.

Up Long Lake pike about a mile lives Ralph Steele. Ralph's house is imposing, if somewhat bare. He farms on pretentious scales. He owes for his land, his house, his harvester. Ralph is making progress slowly. Last spring we let him have the same thousand he's been borrowing—and as regularly repaying—each of the eight springs that he's been on the place.

Half a mile off the pike, back of the Steele place, lives the "Princess" Herman, a Bohemian woman, and her two children. The last time I saw the "princess"—where she got the title I don't know—she was cutting peas with a sickle. And she was barefoot. Her house is small and somewhat dingy.

She is anything but appealingly feminine. Yet there are two things to be said in her favor: She is sending her boy and her girl to school, insisting that they be taught how to be good Americans.

And she has more than $4,000 in her savings account at the bank—not in a sock, or

under a mattress, or hidden behind a brick in the chimney.

A country banker becomes the most practical sort of desk farmer, if indeed he doesn't own from one to half a dozen farms of his own.

Our First National this year is offering $1,000 in prizes to the farmers of this county showing the best records at the end of the season. One of our club boys last year bought pedigreed seed corn, raising nearly as much on one acre as his dad did on three. Two years ago the Sandy Hill community was consuming vast quantities of canned milk. By a carefully organized more-dairy-cows campaign, in which the local newspaper and the county agent heartily cooperated, the First National succeeded in educating the Sandy Hill people to the importance of home-produced milk, cream and butter. Already Sandy Hill is noted for its large number of small, high-quality dairy herds.

Meets Business Half Way

THESE are a few of the ways in which the First National is attempting to fulfill its obligations to agriculture.

Country banking, I have observed, always meets country business half way.

The alert country bank is the best friend of the man who is anxious to acquire his own home. Home-owning promotes a sense of responsibility, tends toward permanency, develops good citizenship, increases farm values.

Of course, there are good tenants and bad tenants, just as there are good landlords and the story-book kind.

Herb Smith, sitting on that tired-looking mule over there across the street, doesn't hold a very high opinion of landlords. To hear him talk, landlords are little less than a short-horn species of devil, with tail clipped and hoofs manicured to fit high-top boots.

Herb Smith is my idea of a good thing for landlords to quarantine themselves against. Herb has ruined at least six farms. He habitually leaves the land poorer than when he comes, the improvements almost beyond the help of crutches, the work stock exhausted and in need of long vacations, the machinery rheumatic, and the landlord in a state of collapse.

Herb can't truthfully say he hasn't had a chance. He's had repeated chances, and fumbled them all.

He hasn't planted a tree, set out a shrub, conserved his equipment, or guarded the fertility of the soil—in short, he has robbed not only the landlord but every tenant who may follow after.

It may be that I'm a crusty old tool of The Interests, Big Business, Wall Street, and Capitalism, but I can't avoid sympathizing with the owner who has had his property thus ruined, wrecked and mangled by a terrorist tenant.

Fortunately, gouty landlords and vandalic tenants are both greatly in the minority. Most landlords have been tenants, and most tenants aspire to be landlords. It is only natural, therefore, that there should be a bond of interest, a desire to understand, drawing them nearer and nearer together.

As I rest my eyes and look out upon Main Street once more, the air is slightly blue with exhaust fumes from swiftly passing motor cars. A sharp barking comes from downstage—someone careless with his cut-out. Yet it is not the sound of the everlasting bow-wows. I am not among those who believe the world is going to the dogs on rubber tires and gasoline.

Pop-pop, whish-iz-iz! Another chugging apparition floats by at express speed. As nearly as I could make out, in that fleeting moment, the driver was young Bill Brush. His dad used to bundle the family into the wagon once a week, hitch up an old gray nag, and take a day for the trip to town and back. He never failed to bring butter and eggs, a frier or two, green vegetables in season, a bag of seed corn—whatever was ready and asking for a ride. And regularly as the trip itself, he made deposits at the First National Bank.

His son comes to town ten times as fast, seven or eight times as often, and rarely adds money to the savings account. He lacks the thrift of his methodical dad. But, on the other hand, perhaps he gets more out of life. And I believe he is eventually to be the better farmer, because he already has a wider diversity of interests, plays the game with more zest, appreciates more fully the opportunities in the new agriculture.

True happiness cannot be overdone.

Out of the whirligig of fad, fancy and foolishness that clutches this fast day will emerge higher standards of living, a wholesome love of the solid comforts and conveniences, and an effervescent ambition to get on, to succeed, to carve one's initials on the face of the earth.

If it takes automobiles and clothes to awaken in our people the joy of mere existence, then they are a small price to pay.

If it be necessary to give a lien on cattle or a tractor in order to acquire title to such intangibles as wider perspectives, increased self-respect, more numerous human contacts, and larger interests—then I, the conservative banker, stamp the mortgage with my own vigorous personal O.K.

This doesn't imply that I'm anxious for young squirts to use dad's money and dad's car while the old man stays home trying to earn the wherewithal for gas, oil, tires and upkeep. No, sir-e-e!

I want to see the old man himself take the steering wheel, while mother and the kids cling to the back seat and the running boards.

Knowing the general run of old-timers in these parts, I think they can be trusted not to let the farms suffer while they're sending up a dust barrage along the pike.

The old-timers of today are better farmers than the old-timers, their dads, of yesterday. And the generation of husbandmen just now making its debutant bow is going to make unsought and forgotten wallflowers out of old-style participants in the agricultural dance. We've already exiled the whiskers. We've abandoned straw-chewing. We aren't naming all our boy babies Jed, Cy or Hiram.

The Flecks of Cream

AS A BANKER I have had my small part in replacing galluses with belts, and frayed straw hats with broad-brimmed felts. I think we might well reinstate many of the homely practices of other days. And I rejoice whenever I come upon good old doctrines of successful farming—and living—masquerading under new names.

As the world whirls round and round, history repeats itself.

To me, the optimist, the revolutions are similar to those of a separator—with each turn a fleck of cream is left. And humanity today is reaping the rich harvest of the changing yesterdays.

Thus I view the show of Main Street—that long, broad, busy thoroughfare of which a town's White Way is but a tiny part.

Thus, briefly, I sift my findings on and off the stage. The boards are being set for the most smashing scene of all. A scene that shall rock all prosperity precedents. A scene so full of many good things that it will be a long, long time before the curtain falls.

Not Merely Social Clubs

FEDERAL STATUTES did not have a purpose to reduce trade associations to mere social clubs or to restrict the conversation of members to mere idle gossip, the federal circuit court of appeals said in February when paper trade associations on the Pacific coast contested an order entered against them by the Federal Trade Commission.

The Commission had entered its order upon a statement of facts to which it and the associations had agreed. This statement included the fact that uniform terms, discounts and prices were discussed at meetings of the association. The Commission forbade all such discussion. The court held that the Commission could not make such a prohibition unless there was evidence of agreements in restraint of trade.

It was part of the Commission's case that when a paper wholesaler sold paper to a customer within the same state, and had the paper shipped directly from the mill in another state to the customer, the whole transaction was in interstate commerce. The court disagreed with the Commission. It held the transaction was between the wholesaler and the customer and its intrastate character was not changed because the wholesaler chose to have the paper brought in from another state rather than provide it from stock.

The court upheld the Commission, however, on one point. The Commission had forbidden peaceable persuasion from the association of wholesalers directed at manufacturers in other states and intended to cause them to cease selling paper directly to users of paper, through manufacturers' agents or brokers. The court said it was not "convinced that there is not an element of coercion in a demand made by the representatives of dealers in 75 per cent of the paper and paper products in a number of states."

The court accordingly permitted the Commission's order to stand against collective persuasion, even if not joined with blacklisting, boycotting or other coercive measures.

THE LABOR PROVISIONS of the Transportation Act have once more been before the Supreme Court. On March 2 the Supreme Court held that a railroad which did not follow the directions of the Railway Labor Board as to how it should ascertain the representatives of its employes with whom it should confer, had not deprived its employes of any rights conferred upon them by the Transportation Act.

In the labor provisions of the Transportation Act, the court said, there is nothing compulsory "as against either the company or the employes upon the basis of which either acquired additional rights against the other which can be enforced in a court of law. . . . The provisions may be searched through in vain to find any indication in the mind of Congress or any intimation that the disputants in the controversies to be anticipated were in any way to be forced into compliance with the statute or with the judgments pronounced by the Labor Board, except through the effect of adverse public opinion."

Short Lines Put the Bus to Work

And It Serves Them Well As An Auxiliary to Main Lines

By CHESTER T. CROWELL



Where the Boston and Maine has replaced a train by a bus line



Chester T. Crowell

"I HAVE quit the electric railway business," he said. Nevertheless the office door was still labeled "General Manager," and the outer door gave the full name of the interurban company. So I blinked a few times, and then asked: "How's that?"

"This company," he replied, "is now in the business of manufacturing and merchandising transportation. We put it up in different kinds of packages. You pay your money and you take your choice—motor bus, street car, interurban, local or express; it makes no difference to us; we handle all of them. Come again in five years from now, and you may find air service for sale; I don't know.

There to Sell Transportation

"ANYWAY, I have quit thinking of myself as solely an electric railway manager; I am now a manufacturer offering a variety of transportation. We used to specialize, but not any more. Give them what they want, is the new motto. Did you notice those yellow and orange street cars outside? Well, the local public prefers those colors. They are believed to be easier to see. I found that out by a straw vote. Next week the public may ask for pictures of little birdies and bunny rabbits on the sides of the cars. If so, they get 'em. That's where I stand."

"So you are now operating motor busses?"

"We had to," was the answer.

"Why?"

"Because if we didn't, someone else would."

"What makes you think so?"

"Operating motor busses, my friend, now classes high among the popular American outdoor sports."

"Don't you suspect," I asked, "that some of them are operated entirely for profit?"

"Possibly," the interurban manager replied, "but others skid merrily along without profit."

"I don't believe you like busses," I commented.

"Why should I?" he asked. "I was brought up in the electric railway business. Certainly I don't like busses."

"Is your company making a profit this year?"

"Yes." He tilted back his chair, blew a cloud of smoke, and then added: "But have we been busy? Oh, boy!"

And that statement just about summarizes the condition of the whole interurban field. A totally new element has entered transportation, and many interesting developments will take place before coordination of steam, electric and motor cars results. However, it seems improbable that any one of them will be crowded out, one reason being that no two localities offer the same conditions. Moreover, the human element also counts.

For instance, there is the Chicago, North Shore and Milwaukee Railroad Company, an electric interurban, operating in densely populated territory well supplied with good roads and dotted with thriving industrial and wholesale centers. It is precisely the sort of territory in which motor bus competition generally flourishes to the damage of interurban receipts. But the North Shore Line in 1923 won the Charles A. Coffin award for outstanding success in electric railway operation.

Not only do electric railway executives point to this company with pride, but, oddly enough, the bus manufacturers also offer it as a shining example, for the company operates a fleet of de luxe motor vehicles. Conditions along that line make it possible for busses to give local service between certain points and thus clear the way for more and faster express trains. The busses also act as feeders; tickets for through travel may be purchased on a bus line.

On the other hand, here is the statement of Paul Shoup, president of the Pacific Electric Railway Company, of San Francisco, before the last annual convention of the American Electric Railway Association:

"We are trying out coordination in Southern California. The Pacific Electric Railway Company is perhaps one of the largest interurban and city bus operators in the United States. The Los Angeles Electric Railway, operating some lines jointly with us and some independently, also has busses in service. These two companies have about two hundred and fifty busses in operation in and around Los Angeles.

Feel Need of Coordination

"WE ARE trying to supplement the service of the electric railway with the automobile to take care of those sections of the community that have been built up away from the electric lines, and where construction of electric lines under present conditions, with the tremendous expense of street paving, heavier rail and so on, is not justified. Well, we are getting a good deal of experience. The Pacific Electric is $20,000 a month short of getting a 6 per cent return upon the investment, depreciation and operating expenses.

"We find from examination of the reports of motor bus and truck companies to the state railroad commission of California that they are not, as a whole, making very much money. We find, on the other hand, that the electric railways are not making what you would call exorbitant profits, and we find that the steam railroads aren't having the easiest and best time in the world. It does seem, therefore, that the sooner we get systematically and carefully at this problem of coordination, to the end that we may all receive some return upon our capital invested and still give an efficient and economic public service, the better off all of us will be."

Conditions in California, so far as motor vehicles are concerned, have no parallel else-

where in anything approximating a similar area. California took the lead in using busses and trucks, partly, no doubt, because that state had also taken the lead in good roads. Today the common carrier vehicles on California roads are so numerous that owners of private cars frequently complain. They ask whether the public roads are for the public, and, if so, to what extent common carriers shall be permitted to use them.

Mr. Shoup estimates that bus lines paralleling the tracks of the Pacific Electric Railway Company took from its trains in twelve months $1,300,000 in gross revenue, of which about $800,000 would have been net because the business could have been handled with only slightly increased facilities. Along the entire Pacific Coast there is less coordination of motor bus with steam or electric lines than anywhere else in the country, principally because the bus operators there got the jump on the rail lines. With good roads and beautiful weather nearly twelve months of the year it didn't require genius to think of hauling freight and passengers on rubber tires.

Interurbans Haul Freight

OFFICIAL figures show a decline in interurban passengers in Indiana, Ohio and Illinois since 1920, but considering each state as a whole the declines are not sensational. In order to determine just what meaning these figures may have, they should be contrasted with estimates based upon a normal rate of growth. In these states, however, new and, in most cases, unexpected developments have come to the aid of the interurban companies. For example, Indianapolis, one of the greatest interurban centers on earth, has seen an astonishing and profitable change in the nature of interurban traffic in the last seven years.

In response to the appeal of President Wilson during the World War, the farmers around Indianapolis produced enormous crops and raised unusually large numbers of hogs. The Governor of Indiana authorized the interurban lines to carry livestock through the streets of Indianapolis as an emergency measure. That city has a large packing industry. The service was so satisfactory that the legislature later legalized it. The growth of freight business on the electric lines entering Indianapolis has been remarkable. In 1919 one electric line handled 1,414 cars of livestock, another handled 4 cars and two others, none. In 1923 the four handled 11,596 cars.

Briefly, the interurbans went out after freight business and got it.

A recent report of the Interstate Commerce Commission, based upon returns from two hundred and seventy-one electric railways for the year ending December 31, 1923, showed freight revenue of $36,783,277—or a little less than one-seventh of their total operating revenue. Of the largest and most important companies reporting to the American Electric Railway Association, 145 showed a tonnage increase for 1923 over 1922 of 35 per cent!

Such figures as these recall the fact that executives of steam roads viewed the interurban with horror in its youth. And it did compete; there can be no doubt about that. Eventually, however, it created new business after the manner of all sorts of transportation facilities; and today it is an absolutely necessary ally of the steam lines. Nevertheless, middle western interurban managers just at present do not see an ally in the motor bus. It wouldn't cause them very much grief if someone were to poison the things.

The attitude toward busses varies all the way from prompt purchase of motor vehicles to open hostility or vigorous competition. An example of competition is furnished by the Northern Texas Traction Company of Fort Worth, which won the 1924 Howard A. Coffin award for outstanding success in electric railway operation. This company sent over its lines day after day two cars painted a glaring white except for signs reading: "Ride the Street Cars and Save the Difference," "The Difference Is Worth Saving," "Think It Over." In addition to an interurban line between Fort Worth and Dallas, this company also operates the Fort Worth street railway lines. It has made very extensive use of a light, one-man street car and adjusted the whole plant and equipment to that type of rolling stock.

It probably offers the most conspicuous example of salvation through economies, for it confronted not only war wages but an oil boom. Wages on this line reached their peak in 1920 and have come down little since. Nevertheless, the company has the remarkable record of holding operating expenses to 61 per cent of gross revenue. With an enormous increase in street traffic it reduced the number of accidents for which the company was held responsible from 461 in 1921 to 96 in 1923.

Economy Is Now the Watchword

VOLUMES are being written and published nowadays on electric railway economies that few persons fifteen years ago thought would ever be necessary. Just as an example, when the motorman on your street car handles his controller with such skill that he coasts for a considerable distance, that performance is mechanically recorded, and it is more than probable that the motorman will get a slip of paper at the end of the month telling him whether he did as well as he should have done.

There was a day when lubricating oil was splashed on axles with cubist technique—not now. They measure it. If heaters or lights burn too long, that fact is recorded.

Electric railway operation is entering a new era. In Fort Worth, when many requests were made for new lines or extensions, the company took a census of vacant lots within four blocks of their tracks and discovered 24,000. This afforded nearly enough room for the population to double, and presentation of the facts satisfied public opinion.

In addition to economy, the electric railway field has entered a new era of merchandising. Not only interurbans, but street-car companies, are out after business. Scores of them are endeavoring to win back the motorist now that he finds it difficult to park his car in front of his office—or any other office, for that matter. In some places they are succeeding.

The situation is not without its humorous aspects. Here is the street car, about forty years old, and a familiar sight to far more than half of the population; but the operating company addresses the populace in effect as follows: "Try these street cars. They are safe and cheap. You'll like them. Just once, and see if you don't." Strangely enough, thousands of citizens find the street car offers a novel experience.

The troubles of



The bus driver in khaki suit, broad belt and "puts" is taking his place beside the engineer as a pilot in the transportation systems of some railroads. The rail companies have put him to work on their branch lines that have not paid with full train service

American electric railways during the last six years resulted from a combination of two developments coming at the same time. These two were war wages and motor bus competition. And they came at a time when the electric lines were still in the midst of consolidating their newly won position as accepted common carriers.

Like all new means of transportation, they had first gone through a period of doubt and experiment; presently they emerged successful and then entered the boom period, just as the steam railroads had done before them. During the boom period many competing lines of electric railway were constructed. Experience showed, in time, that these companies should be consolidated. Again they followed the course of the steam railroads.

These consolidations were not very old when the war and the motor bus brought new problems. Many of the smaller American cities still have more electric railway mileage than traffic requires, and some of this mileage was laid primarily for competition. It may have been consolidated under one ownership ten years ago, but that does not necessarily mean that the problem it originally presented has entirely disappeared.

More Difficult in Small Cities

TRAFFIC experts agree that it is more difficult to solve these problems in small cities than in large ones. The first solution always sought is to arrange loops—send the cars out on one track and back on the other that used to compete with it.

In the New England states so much streetcar mileage was abandoned during 1918 and 1919 that Massachusetts enacted a special law authorizing municipalities, either singly or by groups, to operate electric lines as public necessities, paying deficits out of the general revenue. Several of these publicly operated lines are now returning small profits. But of the total mileage abandoned in that part of the country, the major portion is still gathering rust.

The interurban situation, when war conditions intervened, was that passenger traffic had been growing rapidly and receiving the major consideration. Freight service had also been growing but not so rapidly, nor had a great deal of thought been given to interchange of cars between electric lines. To the extent that new fields of operation were sought, just before the World War, each field was regarded as a separate unit. Now the tendency will be toward construction of links to connect existing systems and thus extend freight service.

In this connection let us turn again to Indianapolis, because it is such an important interurban center, and note the wide area its lines serve. The lines centering there reach Toledo, Cleveland, Dayton, Columbus, Zanesville and Cincinnati, Ohio; Detroit, Jackson, Port Huron, Flint, Kalamazoo, Lansing, St. Johns, Owosso, Grand Rapids and Saugatuck, Michigan. The last named is 555 miles from Indianapolis.

A few short links will connect all of the middle western lines. A few interurbans are already taking the lead with diners and sleeping cars. Within a few years they may be giving a great deal of attention to longer hauls.

Recently I discussed this phase of operation with the manager of an interurban line.

"I will tell you," he said, "how the situation looks to me. This comes under the head of prophecy and will doubtless have to be revised from time to time as conditions dictate, but we naturally look ahead, and this is what I see. The motor bus is coming into quite general use. It may be overextended in some territories, but it will find its place and remain. Both interurban and steam lines will give considerable thought to using it as an auxiliary. In some places it will take care of local traffic; in others it will be a valuable feeder; under the most favorable conditions it will serve both purposes.

"There is a possibility on some of the interurban lines of carrying such a large proportion of the local traffic by motor that express service will be tremendously improved. You understand, of course, that I am speaking now in the realm of prophecy, so I am going to say that I think interurban trains may be speeded up to seventy or eighty miles an hour. That sort of service on express runs would attract a great deal of business—how much it is difficult to say. We may also be forced to go into the trucking business, more or less, as a feature of soliciting and assembling freight—though I hope not.

"Somehow we must meet the problem of the motor vehicle paralleling our lines. That, I think, will land on the doorstep of the state railroad commissions. My contention would be, I think, that a steam or electric road should be given the preference in the matter of permits to parallel its own lines with trucks and busses. The public, I believe, would prefer the responsibility of the older rail lines back of the new motor service.

"State railroad commissions and the Interstate Commerce Commission will soon find themselves engaged with many new problems as well as old ones resulting from motor transportation. This form of competition is still so young that we scarcely know what guesses to make about it. For instance, where we see a bus or truck company operating in competition without making adequate provision for deterioration of rolling stock, we might decide to play a waiting game, give them time, and watch them go bankrupt. But, they may learn more about business and take a new tack. In that case we would expect to see their rates go up and competition become less hurtful.

May Develop Rapidly

"BUT ANOTHER guess is that the whole science of motor bus and truck operation may develop rapidly to a high standard of economic efficiency. If so, we shall be forced into it to a much greater extent than now seems probable. I think that with our combination of both electricity and motors we shall always have a great advantage over companies operating only busses or trucks. Back of all this uncertainty, however, stands the very important fact that freight traffic is greatly increasing and that steam railway mileage is not. Of the new business we shall get a fair share.

"In passenger traffic, also, there is a new element coming to our aid. The public seems very willing to pay for de luxe service, even to demand it. We may not be given higher rates in spite of our severe difficulties on account of higher costs, but we can charge a premium for palatial cars and hotel service. Added to this I think we are going to stimulate business with new standards of speed. Another factor coming to the assistance of electric lines is cheaper power. The inventors fortunately are still busy. We are sailing a troubled sea, but the storm couldn't be much worse than it has been."

Expensive Tastes in Flour Bags

By I. K. RUSSELL

THE WHEAT market in Chicago was skyrocketing and it had the front page in all the papers. Away off in distant Egypt and Mesopotamia people were short of wheat.

I happened into a great flouring mill—one of the giants beside the Mississippi. Every wheel was turning at full capacity on a 24-hour basis and hurried workmen were filling rush orders such as they had not known since war days. Belts that had lain idle for four years were lashing along at express-train speed.

"Remember ten stone," shouted a foreman, "sixteen hundred ten stone by tonight."

And workmen bent jute bags to flour spouts and saw the filled bags whiz away through sewing machines—thence, with closed tops, on out into freight cars.

Cars were filled at a speed the eye could hardly follow. The World War gear and equipment was working again to perform a lightening-like miracle in dumping American wealth on a distressed spot clear across the world. Until the war, equipment to fill and load flour sacks like that had never been heard of. The gear creaked because it had dried during the post-war slump.

How small the world now seemed. How small—and annoying. Egypt was hungry for American wheat. But it must have its relief in 10-stone bags. None other would do. In a mill this meant opening a warehouse, dragging bags of a certain size out, cluttering a filling room with them.

But Egypt was not alone in the hungry class. France was calling for American flour—and she must have sacks of 80 kilograms each! And there must be four cotton bags inside of each jute bag, each cotton bag containing 24½ pounds of flour. The half-pound was very essential when it came to selling it out over the counter in France on a metric system scale.

And our own New England was hungry, too. Now, the grandfathers of the present New Englanders got their flour in barrels. Therefore, flour for New Englanders today must come in barrels.

Again, New York folks want their usual ration, and flour to them must go in barrel lots cut down into 28ths and 56ths, or 3½ and 7-pound cotton bags piled inside a jute bag.

This was all very well when mills sold only New England or New York or Egypt or France, but it is not very well in this small world, with many notions centered in many small spots.

With 49-pound bags being filled for the south, 203-pound bags for Cuba, rubber-covered bags for the Amazon country, bags so packed that they could be broken over a mule's back for the Andes towns, 196-pound bags for the West Indies and 97-pound bags for Brazil, our mill workers surely have a scrambled-egg task. If Sweden had come in, it would have been on the 110-pound basis, and if Germany had called it would have been for 176's.

Engines puffed, cars rolled away, and at nightfall Egypt, Mesopotamia, the Andes, New England and New York all were notified that their orders were rolling—as fantastic a lot of cotton, paper, jute, and wooden packages as one might wish to be haunted by.

Here's work for a world-leader. Who can make a world-wide package acceptance?

All know it should be done. Mill hands, especially, will bless the man who does it.

What's Ahead for the Railroads



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Mark W. Potter, Former Interstate Commerce Commissioner, Talks to HENRY SCHOTT

MARK W. POTTER took a job as an Interstate Commerce Commissioner because he believed he could be of use to the country. He had been president of a railroad; he was a partner in a large New York law firm. Measured by dollars and cents, it seemed a big sacrifice, and I said so to him.

"I have never felt and do not now feel that I have made the slightest sacrifice," was his rejoinder. "I would rather have worked here for $12,000 a year with all the opportunity I have had to try to be of service than to have been on the outside earning $250,000 a year. I value my four years of work here more than anything else I have done. I want to repeat that I have made no sacrifice whatever."

"Then why give it up?"

"Because conditions have so changed in the railroad situation as it relates to the Commission that the major portion of the work has been done," he said. "Today the railroads understand the Commission better, and the Commission understands the railroads. The operating efficiency of the railroads today is something we didn't hope for four years ago. The big job is over; I am going back to my own work.

Better Understanding

"LET'S go back to 1920 when the transportation law was enacted," he continued. "It would not be putting it too strongly, it seems to me, to say that the transportation act had, in a sense, brought about a condition of government ownership; that it established the proposition that the roads were operated for the public interest and in return for their use by the public the owners were to obtain fair compensation.

"It was as if the Government, the public, had taken over the properties under a lease, if you please, to be operated for public interest, the owners of the properties to receive what is in effect almost a rental for the property. The Government said, 'We will take you and see that you get the rental, the fair return, but the public is going to get the balance.'

"In a sense the Government acquired the benefits of government ownership in the public interest, retaining the benefit of private management and initiative, and protection against risks and inefficiencies that would exist if the Government actually had the roads. The situation, it seems to me, was very far-reaching.

"This seemed a wonderful thing both for the public and the security holders. It would reduce speculative possibilities of certain lines, and for the railroads as a whole it would furnish such an assurance of fair treatment that they could well afford to surrender their speculative prospects.

"I came to Washington to try to work out that grand conception which I thought Congress had. There was, of course, additional inducement of trying times ahead. There was an incoming wave of radicalism, of confiscation, of trying to get something away from people who had it, without paying for it, demand for additional bureaucratic control of private affairs; all of which tended to threaten industry and increase the difficulties of obtaining moneys at a time when it was very necessary that money be obtained.

"The only way to get investors to put more money in was to make it certain that they would have a fair deal in the way of protection. That involved an assurance of a proper rate basis to yield a fair return for the future; and equally important, it involved a determination of the value of the properties without radical desire to confiscate.

"This brought in valuation work, which is very important. I had in mind two things: First, stabilizing revenues and property; and second, strengthening the recognition and respect for the property of railroads and to develop transportation.

Both Sides to Consider

"THEN I had a notion, too, that the office-holders who had power were inclined to reach out for more. I believe in keeping government out of business. I do not believe the function of regulation is to take hold of private industry, but to say:

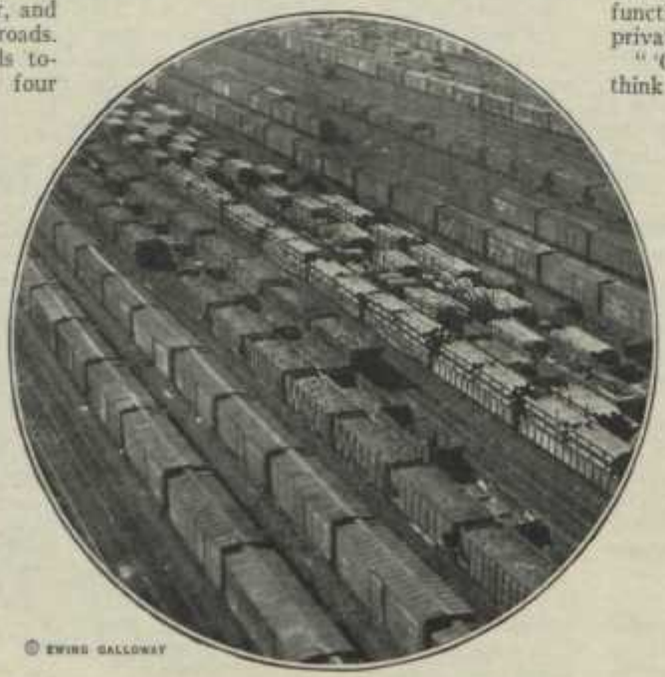
" 'Go ahead and run your business as you think it ought to be run, with recognition of public right.'

"Sound regulation is designed, not to manage the industry, but to point out the things that it may not do in disregard of the public interest. I wanted to exert an influence in that field.

"I felt, too, that the job of the Commission and of the state commissions, and of the railway executives is exactly the same: to provide transportation on a basis fair to shippers, fair to labor, and fair to security holders. If the railway executives did their part right, we would have little to do. They have the burden of initiating rates and keeping them balanced, but they must keep that rate structure where it will have due regard for the rights of all. If they did this we would have nothing to do.

"It should not be a case of the railroads damning the Commission, and it should not be a case of the Commission cracking the whip.

"I had a notion that I, perhaps, could encourage the Commission to think that the railroads and bankers were not so bad; and



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Terminals are the big question ahead—there is too much duplication, says Mr. Potter. How often we may see strings of freight cars, flat cars, lumber cars, ore cars, grain cars—all kinds of cars waiting to be moved, while in the terminal across the way there is a row of idle locomotives. Such duplication makes our freight rates high

could encourage the railroads and bankers to think that the Commission was not so bad. That there should be more teamwork."

"Any results?"

"Yes; the railroad situation *has* improved. There is better understanding between executives and the Commission than ever existed before. There is better appreciation, better cooperation, better coordination. This is shown perhaps most pointedly by our Bureau of Service here. Three years ago it was a very busy Bureau; complaints from shippers and emergency situations everywhere. During the last year there have been few complaints, in spite of the greatest tonnage ever handled. We really do not need a Bureau of Service.

"It shows that it is not our job to run the roads. We should keep our hands off so long as the carriers do right. Today the carriers feel that they have the responsibility and their pride, courage, and ambition have increased.

Act Is Working Well

"THE EXECUTIVES are better men, and get better results. After emerging from government control under clouds of distrust they have made a remarkable showing and are now up and hustling. They are forming a new generation of railroads.

"The transportation act is working well and is going to work better and better if they leave it alone.

"The whole atmosphere is better; I sit back and say, 'Potter, things that brought you here in 1920 do not seem to be here now, and the problems are disappearing. When the problems disappear, the attractiveness of the job disappears.' And so I am getting out.

"Of course, there are very serious problems ahead. The railroads can't make the mistake of thinking that everything is right. The shipping public will never be satisfied. There will be splendid service today and a rate basis that is generally satisfactory, but sooner or later the public is going to want something better. If the carriers sit down and let well enough alone, say 'we are all right,' they will get a good biff. They have got to go on."

"Where is the next point of improvement?" I asked.

Question of Terminals

"TERMINALS. Speaking generally, the terminal situation needs tremendous improvement. The principal defects now are duplication of effort and endeavor in order to render a unit of service to the public. You see one terminal trying to handle 120 per cent capacity business and a few yards away one carrying only 80 per cent. Why have one glutted and another partly idle?

"The terminal situation must be looked upon as a general railway facility for service, and ownership must largely be ignored. Unless the carriers do it, the public will be right on their backs. These duplications of endeavor require wasteful expenditures, in buildings, ground, interest charges, etc., all of which increase costs and complications.

"The roads have got to find ways to get their traffic through these terminals quickly and economically. Use the motor truck, arrange for pick-up and delivery service; take from store door and deliver at store door; bring about a system whereby millions of tons of traffic will not be held in warehouses for weeks and months at the expense both of shipper and carrier.

"It has been said, for instance, that to ship a unit of traffic from a point in New York City to a point in Chicago, where they have these expensive terminals at both ends, actually costs the railways at least twice as much as to ship that same traffic from a point on the New York Central 30 or 40 miles above New York to a point 30 or 40 miles west of Chicago where the crowded terminals can be avoided. The expenses of terminal delays fall on shippers and they are bound to demand reform.

"There must be constant stimulation of carrier thought, because shippers are always going on thinking—they think all the time.

"Of course, all of these things take money, and there must be a lot of money expended on railroads in the next few years. It will be needed for terminals, sidings, additional equipment, stations, tracks, shops. Everything of that sort.

"The roads are steadily tending toward greater efficiency, and with very satisfactory results. This has been due in part to an expenditure of money but has been due in greater part, in my judgment, to managerial improvement—executives getting up on their toes. The old railroad corps spirit is coming back with men and managers.

"Another great opportunity for improvement is in the railway shops, for there seems to be a strange lack of understanding of what a railroad shop is; a railway is such a big institution that some particular part of it is apt not to be appreciated.

"The trouble with railway shops largely is that too many of the carriers look upon them as a necessary evil. A master mechanic is in charge and has his own way largely. Often he knows nothing of other shops off his line. His methods seem all right to him, and as a result there is no standard in railway shops.

Obsolete Repair Shops

"IF THE steel industry used the methods or manufacturing principles existing in railway shops, it would be bankrupt because of wastefulness and lack of control. And yet railways keep on year after year with obsolete methods in repair shops.

"In some cases big shops are only a multiplication of round-houses, a Topsy growth. They must be modernized and made efficient as any outside manufacturing plant. One big road is now planning to raze its whole shop plant.

"This country is developing very fast. I am apprehensive that unless the transportation machine is increased and added facilities provided, either as betterments or through increased efficiency, we are apt in a very few years to find transportation limiting the commercial activity and prosperity of this country.

"The roads cannot look forward to any general rate advance. The tendency of rates is always downward. We assume that the rates are not going to increase. There is going to be no general decrease in wage levels. Therefore, the problem is to get new money without rate increase and without wage reduction. It is of vital importance for the Commission and Congress to keep up and support the existing confidence that the railroads are going to get a fair deal and in turn are going to do their work economically. Keep up that spirit. This is the job for executives, Congress, and the Commission.

"The all-important thing for Congress is to recognize that it must not be revolutionary in the adoption of any new principles of rate making. The rate job is a very complicated one.

"Men like I am can be on the Commission four or five years and not know much about rate making. Older men on the Commission understand it better. But a man who is up on the Hill rarely knows anything about it. The making of rates is a student's job, highly technical.

"To illustrate: There was up the Hoch resolution, which sought to declare, as a policy to be applied by the Commission, the readjustment of rates so as to encourage and permit the free movement of agricultural products, we will say, or livestock. People get the idea that these industries are in distress—paying too much. Somebody says reduce rates. That is all very well, but when you say that the livestock rate, grain rates, etc., are too high, and they ought to be reduced, we have to show that some other rates are too low.

"Any reduction of rates on agricultural products is likely to mean a very serious increase in class rates on all commodities. If, as a result of the decrease in agricultural rates, we increase class rates all through, see what would be done in the way of forcing relocation of industries. Many industries would have to pick up and move to more favorable locations.

Must Look at Whole

"THERE is no such thing as a reasonable rate in and of itself. A rate on one commodity is reasonable only when it has a proper relation to all commodities. The whole picture must be looked at.

"All of these things are to be taken into consideration. We cannot simply say that today some industry needs something, give it to it, and, to do this, take away from someone else. A year from today something else may need help, and again a general revision would be necessary.

"Take a reduction in wheat rates a year ago when it was selling for a dollar. What should be done now with wheat at around $2 a bushel?

"The consolidation provisions are vital and necessary. Consolidation will make for efficiency, for stabilizing railway credit, make it easier to obtain money, eliminate enormous amount of unnecessary car movement, and save all along the line. The modern problem of railroading is not simply to see how many tons you can move in a train; how many ton-miles in a train-mile. The number of ton-miles is not the measure of accomplishment. Quite the reverse is the thing.

"The whole problem of transportation is to see how many tons of freight you can deliver to destination with the fewest ton-miles hauled. In other words, the test is ton-miles per train-hour.

Consolidation Would Help

"TODAY there are the same rates between two given points, while there may be a dozen routes to the same places. All the lines are hustling for business. Some of the business, therefore, must be diverted from the short-line economical route in order to sustain the roundabout routes. Consolidations will bring those routes into proper relation with the other routes. It will balance, stabilize, strengthen, supplement as cannot be done in any other way. It must come.

"The men employed on the railways are fine, typical Americans. The public does not realize what it means to become a railroad man. It does not realize the schooling going on all the time; the railways are always examining men, bringing them up to date.

"Right there is another thing of importance—the necessity for the carriers to budget their expenditures. In the past the practice has been too generally to lay off men when business is slack. Earnings drop, the carriers feel compelled to make their showing, and they lay off men and postpone work that

could be done more economically right at that time.

"This practice is reflected in industries that manufacture railroad materials. Many have to go on for months and months at a great loss. A year ago one industry took a loss of $50,000 a month for six months to hold its organization. It knew that the railways' orders were bound to come in—roads had to have supplies—but waited. That loss of $50,000 a month was inevitably borne by the railways, and later by the shippers. With a proper budget system of work and maintenance the roads could have bought in a better market and have been better prepared to meet improved business demands.

"Last Thursday I spent three or four hours with the executive of one of the leading roads, one of the most up-to-date roads, and he showed me his budgeting plan for 1925. The executives are now doing a great deal of budgeting. By means of steady work they are furthering content among employes, which is very important, and which in turn is going to make it better for the carriers, and will reflect in earnings.

"Men and executives are working along right lines. There is better spirit between employers and employes—more mutual confidence. Unfortunately there are still some hard-shelled die-hards who live in the thoughts of thirty years ago and want to fight it out. But, as a whole, conditions are improved.

"I am optimistic, and I think that American transportation was never in as good shape as it is now. There is better understanding of the need of transportation among those who need it, better efficiency, better regard for the shipper by the carrier, and better regard for the carrier by the shipper.

"It's the duty of the carrier, the employe and the Government to foster this era of good feeling by good service.

"I have never felt, and do not now feel, that I have made any sacrifice whatever. I would rather have worked here for $12,000 a year, with the opportunity I have had to endeavor to be of service, than to have worked on the outside and have made $250,000 a year. I value it more. I have made no sacrifice whatever."

Court Cases That Interest Business

A STREET RAILWAY, which upon its whole system showed earnings of only 1.7 per cent of the value of its property, objected to relaying at a cost of $11,000 a branch on which it had receipts of $2.40 a day against operating expenses of $8.25. When the relaying of its tracks became necessary on account of a change in grade of the street, it wanted to abandon this unprofitable line. When the regulatory authorities refused to grant permission for abandonment of the line, the street railway went to the Supreme Court.

The Supreme Court on March 2 said it found no reason to interfere, arguing to the following effect: The fact that the company would have to incur a large expenditure in relaying its tracks did not make void the order that the branch was to be continued.

Even though a branch loses money, a railway may be compelled to continue its operation. If a railway can operate its whole system only at a loss it has, in the absence of special contracts, only one way out—to surrender its franchise and discontinue all operations. A railway cannot continue to enjoy its franchise and escape the burdens that are incident to it.

THE TREASURY and creditors have come face to face in many cases when debtors have gone bankrupt, and creditors have seen the Treasury get all it claimed on account of income taxes whatever might be left for the creditors. The fact that the income-tax law does not impose a tax upon a partnership, but upon the partners individually, has resulted in the Treasury coming off second best in two cases which were recently decided by the Supreme Court.

In both cases partnerships had been thrown into bankruptcy. In both the Government attempted to assert priority against partnership assets for income tax assessed upon individuals in the partnerships. The court told the Treasury that as the Government had seen fit to levy its income tax upon the individual partners it would have to look to them for its money, leaving partnership assets to the other creditors.

STOCK ACQUISITION in a competitor, when the result of the acquisition is substantially to restrain trade, is forbidden by the Clayton Act, and the Federal Trade Commission is given authority to administer this part of the law. In 1917 a large packing company purchased the stock in two small companies which had an increasing business in one section of the country. At the end of 1919 the Commission issued its formal complaint, following in 1922 with its order that the large company cease being a stockholder and divest itself of "all the fruits" of its stockholding.

In February the federal circuit court of appeals upheld the Commission's order against contentions that this part of the Clayton Act is unconstitutional. The language used by Congress the court thought was very clear and it refused, in its own words, to assist in conjuring up hardships that would result from the enforcement of the order.

At the same time the court was so convinced that the Trade Commission had been dilatory in beginning its proceeding, and thus had afforded opportunity for the company to make large investments in enlarging the business, that it declared Congress should fix a limitation upon the time within which an acquisition of stock in a corporation by another corporation may be questioned.

SEPARATE CORPORATIONS are sometimes organized by a company to do business in various states. On March 2 the Supreme Court held that, when the parent corporation sells to the subsidiary which acts in a state, and the subsidiary business is conducted as the business of a separate concern, the fact that the parent company owns all the subsidiary's stock does not cause the parent company to be doing business within the state.

A Maine corporation was the parent company. It owned all of the stock of another company which carried on business in North Carolina and which made purchases from the parent company. The parent company was sued by a North Carolina cotton mill, in the federal court of North Carolina, making service upon the subsidiary corporation and contending the subsidiary was an agent for the Maine corporation. The Supreme Court held that the Maine corporation had not been served with process.

AUTOMOBILE BUSSES that run between cities over improved highways are providing some questions for the Supreme Court. On March 2 the Supreme Court dealt with two cases in which one of these questions was raised—the power of a state highway commission, acting by authority received from the legislature, to refuse to permit a new bus line, wishing to carry passengers or freight to or from an adjoining state, to use the roads of the state, for the reason that existing lines provide adequate facilities.

The Supreme Court held that a state highway commission has no such power; otherwise, the court declared, state action would be in direct contravention of the right possessed by Congress to regulate interstate commerce.

The decision in these cases appears to have caused considerable misunderstanding. The newspapers described the officials of at least one state as quite prepared to sally forth and chop their roads off where they enter other states. The first impression that got abroad when the decisions of March 2 were announced seems to have been that fleets of marauding trucks might be expected momentarily from neighboring states.

In fact, the decision dealt only with the simple question which has been described, i. e., the right of a state to prohibit competition with existing bus lines from a new line which would operate interstate.

There was nothing in the decision which would warrant any inference, for instance, that states cannot charge proper license fees for interstate busses. In fact, in the second case, it was expressly stipulated that the state highways were not so congested that the new line caused dangerous conditions and that the highways were so constructed as to be capable of carrying the weight of the new line.

The purpose was to make the question before the court the simple one of the authority of a state, or its agents, telling a man—who sought to operate an interstate line of busses or trucks to haul passengers or freight for hire—that he could not engage in such business because he would cause too keen a competition for traffic.

One of the cases illustrated, to the court's way of thinking, the wisdom of the forefathers who took this sort of question from the states. A man appeared who wanted to run passenger busses between Seattle and Portland. The official agency of Oregon gave him permission to operate, on the theory that the service he would render was required. The official agency of Washington, however, on exactly the same question reached precisely the opposite conclusion.

Crayon Portraits Still Selling

CRAYON portraits are still in good demand among Americans of 1925.

When the Federal Trade Commission undertook to order a portrait company to desist from having its salesmen say the portraits were worth four times the price actually charged, the company at once instructed its salesmen to use another argument, but on principle it insisted it had done nothing illegal and went to court about the matter.

The court agreed with the portrait company. Even if the statement was untrue, the court said, the Commission had adduced no evidence that any competitor or any customer was injured.

Shouting "Service!" As a Battlecry

By WILLIAM NELSON TAFT

Illustrations by Charles Dunn



THIS MORNING'S mail—and it wasn't an unusual one in any respect—contained six letters which, in spite of the fact that they came from widely separated parts of the country, included the same phrase:

"This service is, of course, given without charge to our patrons."

One of the letters was from an automobile company and was written around a new model. In addition to the car itself and its manifold advantages they offered a three-months' service consisting of free inspection, greasing, oiling, air and care—without any cost to me.

Another communication was from a department store, calling attention to its system of extended credits, its delivery service and the fact that goods bought there may be shipped, without cost, to any part of the United States, its territories or possessions.

All "Free of Charge"

LETTER No. 3 was from a mail-order house in Chicago, stressing the advantages of buying goods direct from the wholesaler and emphasizing the service which they are equipped to render—"Service that is, of course, given without charge to our patrons."

There was also a letter from an advertising agency, a letter of solicitation using their "Service Department" as a lever and one from a newspaper, detailing the perfections of their "Promotion Department" which supplies route lists of dealers, edits, prints and distributes a free house-organ, and otherwise acts as a precursor in making clear the way of the marketing load.

The final letter in the group came from the local agent of a manufacturer of household appliances, without which no kitchen or laundry can be said even to approach completion. Here again "Service" is the keynote:

"We are not only in a position immediately to install these appliances," says the writer, "but we agree to keep them in perfect condition for the period of one year from date of purchase. Should the slightest trouble develop, no matter from what cause, a telephone call will bring one of our experts at once. If it is necessary to remove the machine from your home for repairs, another will be supplied immediately, so that you will not be inconvenienced in the meantime.

"This service is, of course, rendered without charge to our patrons," concludes the letter—and here the writer proves his individuality, for he uses the word "rendered" instead of "given," the form favored in the other five epistles.



"Service has become the idol of our modern economic system"

Service! *Service!!* SERVICE!!!

Who discovered this new world of sales-approach, anyhow? Surely his name should not be allowed longer to linger in the limbo of oblivion. It is at least deserving of a place beside that of Columbus, for the Genoese located only half a world, while the man who brought to light the advantages of service uncovered an entire solar system in which there now blaze a myriad of star salesmen, each of them flaunting a banner bearing the slogan of their cause: "Without charge to our patrons."

Ever since the wooden horse was thrown in by the Greeks as a premium in connection with their departure from Troy, the human race has been prone to accept the "something-for-nothing" idea and render sincere thanks therefor. And ever since the affair of the Trojan equine it has been demonstrated and redemonstrated that there is no such thing as an unearned increment—that the something one gets for nothing is and must be paid for in some way. But, from the number of those who fail to recognize this fact, it is evident that Barnum's famous birthrate estimate of one a minute was a distinct understatement.

Anyone who has as much as skimmed through the four-volume report of the Joint Commission on Agricultural Inquiry which investigated the costs of distribution for Congress some three years ago has noted the Commission's reference to Service:

> The consumer came to accept unusual service and convenience as a matter of course and finally to demand more. Each new service and convenience drew additional people into the activities of distribution. Time-saving, convenience, comfort and satisfaction became the determining factors in the excellence of service. More and more facilities were created, more and more people were engaged, with a constant upbuilding of expense, until we have now reached a point where it costs more to distribute and serve than it costs to produce.
>
> Commodity costs are lost in a maze of service costs. The public is so accustomed to the convenience of modern service that it seldom, if ever, recognizes the fact that the most simple purchase contains the romance of industry, commerce and human progress. . . . The solution of the problem of distribution must be secured through a betterment of methods and an elimination of wastes and uneconomic practices.

Note those sentences "More and more facilities were created . . . with a constant upbuilding of expense" and, "The consumer came to accept unusual service as a matter of course and finally to demand more."

They are lifted bodily from a Bible of Distribution, a really authoritative and inclusive study of the greatest of modern problems.

Of course the consumer "came to accept unusual service." Why shouldn't he? It was not only handed to him but was shoved at him across the counter of almost every store, shouted at him from the advertising columns of his newspapers and his magazines, wheeled up to his door, placed in position in his house and even tendered, more or less cheerfully, long after he had paid for the goods which the "Service" originally accompanied.

Of Course Consumer Accepted

NATURALLY, he "came to accept it"—for it was represented as being an extra, a premium, something for nothing. Also, naturally, he fell into the rôle of Oliver Twist and "demanded more," entirely overlooking the fact that he had to pay for every particle of the Service given him "without charge."

Thanks to the publicity broadcasting done by manufacturers and salesmen of all types, most of us have reached the stage where we don't know much about anything but Service. It now comes pretty close to being the national idol of our economic life, the glorified drone that has usurped the rule of the hive.

If we were to refer to this type of Service, in its business sense, as a form of graft, would we be far wrong? Isn't anything that is thrown in as a premium, anything over and above the bought-and-paid-for value of the goods themselves, anything where the

cost is so carefully camouflaged that it is not apparent to the purchaser, really a species of graft? In its psychological as well as in its physical aspects, is not this dominance of Service based upon elements which have no rightful place in American character and American business life?

It is almost impossible to separate the material and the moral phases of this subject. They are so closely intertwined that, to attempt to pull them apart would destroy the whole structure. Therefore, when we see that a tremendous economic waste is being deliberately nurtured by this mania for doing things for people that they ought to do for themselves, the inevitable corollary is that the spirit of independence, the traditional self-respect and resourcefulness of a great people are being destroyed by the same agency.

The demoralizing side of service is so evident, so obvious, that there is little wonder that it has been generally overlooked. The word itself is extensively used as a cloak for lack of merit in goods, lack of fairness in prices and, possibly more than any of these, lack of sales ability. The manufacturer or the retailer who isn't any too sure of the appeal of his prices or his quality or his salesmanship is immediately tempted to lean heavily upon the "Service appeal."

And Everybody's Doing It

"JUST look at what we give you in addition to what you pay for," he says, in effect. "We not only sell you the machine (or the material or whatever it may be), but we also throw in special delivery, extra care, spare parts, extended payments and a refund privilege. How can you doubt that you are getting value received, especially when these things don't cost you a cent?"

And this attitude isn't confined to any one manufacturer or any one retailer or any one line of goods. As Irving Berlin declared some years ago through the medium of his popular song, "Everybody's doing it," and it has now reached a point where it is difficult to buy anything without having Service "thrown in"—unless, of course, you patronize the self-service stores exclusively, and even some of these are providing baskets or shopping bags in which the goods may be carried home.

You walk into a store to buy a pair of shoes and, when you find it difficult to decide whether the shoes are really worth the price asked, you are informed that "We make a point of keeping our shoes shined for our patrons—without charge, of course."

Laundries are advertising that they darn socks and sew on buttons as a matter of service to their patrons. Garages are giving service premiums in the form of free delivery of cars and other gratuitous items. Hotels are placing bouquets of flowers in guests' rooms, passing cigarettes "with the compliments of the house" after dinner, and seeing that a morning paper is slipped under the door. Almost anything that costs more than five dollars can be purchased on the extended payment plan—another form of Service—and even banks, the symbol of staid solidity and conservative business practice, are presenting dollar bills with new savings accounts, staying open after hours for the receipt of deposits and participating in the Service Parade in a number of other ways.

Yes, everybody's doing it, and that, they say, is why everybody has to do it.

This point was brought forcibly to my attention the other day in the course of a talk with the delivery superintendent of a big department store, a store which has been established for so many years and is so firmly entrenched that its name has become almost a synonym for the city in which it is located.

An S. O. S. for Cake Tins

WHILE we were discussing delivery costs, there came a hurry call for the special delivery of a package containing, according to the attached sales-slip, one cake pan at a retail price of 95 cents. The package bore a red "Special" sticker, with the notation "Delivery promised before 3 o'clock today." It was then 1:30 p. m.

"Here's one of the things that drive delivery men nuts," was the succinct comment of the superintendent. "Some woman forgot that she was giving a party tonight and that she wanted to bake a special kind of cake for it. She 'phones down here at the last minute and says that she has to have the pan this afternoon. Chances are that she doesn't really need it until 5 o'clock.

"You know what percentage we're supposed to work on in this department. Half of one per cent of the total amount of the sales is supposed to be the average delivery cost. How far would one-half of one per cent of 95 cents go in making a special delivery? It might get it as far as the next corner, but not a step beyond that.

"And as for total profit! We're lucky if the store makes two cents clear on that pan. We don't make that much on the average dollar taken in. Then, when you balance that two cents against a special trip of a boy on a bicycle (the cheapest form of special delivery) for a mile and a half, what have you left? Not only nothing, but a pretty big minus quantity."

"Then why," I inquired, "go to the trouble and expense of doing it? Why not establish a rule that there are to be no special deliveries on articles costing less than a specified minimum sum? Advertise this rule. Educate the public up to it and then see that it isn't broken."

"That," replied the delivery superintendent as he o.k.'d the "Special," "is fine theory—but rotten practice. We've got to do it because the other stores do it, and they've got to do it because we do it. If we cut out service of this sort we'd stir up a fine young row among our customers and probably lose a lot of 'em, for they'd start dealing with some store that gave them the sort o' service they're accustomed to."

"But during the war—"

"Oh, yes, during the war we cut it out, but then we had the backing of patriotic motives and all that sort o' thing. Stores were supposed to release a lot of their men so that the world could 'be made safe for democracy' and so on. People realized that we didn't have the help and that we couldn't get it. So they made allowances for us. But now, if we tried to cut down on service of any kind, they'd figure that we were trying to make more money and they'd go where they could be treated better.

"No; there's no use attempting to cut down on service of this sort—not while everybody else is doing it."

Public Didn't Invent Service

BUT THE fact remains that the phrase "The public demands service" is simply a phrase, nothing more. The plain, unvarnished truth of the matter is that not one of the plans inaugurated in the name of Service has come into being in response to public insistence. Each and everyone of them was invented by the seller of goods as a way of appearing to do something for nothing, as an alluring premium which could be thrown in for good measure, and then it was hammered so deeply into the public consciousness that to attempt to extricate it would necessitate a major operation—provided, of course, that this attempt were made by a single sales agency.

But a concerted movement in this direction could not but be effective, as proved during the days of the World War when stores and manufacturers alike reduced their service-rendered almost to the vanishing point and suffered no ill effects by so doing. The public was informed that Service was a matter of men and that, as men were not to be had, Service would necessarily have to suffer.

Is there any logical reason why the public should not be informed that Service, at the present time, is a matter of money and that, if a reduction in the cost of distribution is desired, the tree will have to be pruned down to its parent trunk and all the non-essentials lopped off? This will, of course, mean that a lot of people will have to be exposed to the glaring light of the sun when they have been accustomed to the pleasant and more enervating shade. But, since the cost of raw materials does not bid fair to drop with any great crash, and labor, transportation and sales costs are not going to slump materially, doesn't it follow that Service is about the only place where savings can be ef-



"What will be the limit of all these things supposed to be given free of charge to the patron?"

fected and passed along to the consumer?

In any consideration of this subject it should be remembered that the public isn't to blame for the costs of Service or the extent to which it has grown. The woman who stops her limousine at the grocery store and sends her chauffeur in with the order that a pound of butter be delivered "at once" to her home, with the implied threat of a transfer of patronage if the demand is not complied with, is not the one at fault.

The grocer has told her in his advertising and through his salesmen that he will be very much offended if she doesn't make him the victim of every form of imposition that she can think of, from paying her bill twice a year to returning goods bought a month ago.

"No transaction is ever completed," he loves to say, "unless satisfaction is delivered with the goods. And remember," he adds, "the customer is always right."

That last phrase, together with all it implies, is one of the most dangerous parasites that has ever fastened itself on business of all kinds.

There are, of course, some service costs which are justifiable on the score of necessity or business ethics. Courtesy, promptness—which necessitates a staff of sufficient size to handle peak loads—helpful information and the sincere desire to please—these are inherent ingredients of every honorable business transaction. They are a part of the value which is to be expected in connection with every purchase. To go beyond them—and we have gone far, far beyond them—is to create an artificial and enervating atmosphere, harmful to business as a whole and still more harmful to the public for whom the business is conducted.

Already there is enough lost motion, enough waste and enough expense connected with our economic processes without in any way adding more excess baggage in the shape of costly "service charges" which, while provided free to patrons, must be paid for by someone.

Why, then, should there be a voluntary return to the days of barter when it was the custom to throw something in "to boot?" Why should we sugar-coat a pill which is at least theoretically sweet with value, at a time when every possible endeavor is being made to reduce costs and lighten the burden upon the man who must eventually pay the price of this "free" service—the ultimate consumer?

Meeting the Attacks on Mr. Wyer

THE SMITHSONIAN pamphlet by Samuel S. Wyer and his article in the NATION'S BUSINESS for February have stirred the friends of government ownership. Some of our own readers have jumped to the conclusion that we were wrong. One said Mr. Wyer was "a deliberate falsifier."

Sir Adam Beck fired the big gun in the shape of a pamphlet with this eighteenth-century title:

MISSTATEMENTS AND MISREPRESENTATIONS
DEROGATORY TO THE
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
EXAMINED AND REFUTED
BY
SIR ADAM BECK

Sir Adam is not afraid to call names. "Fictitious," "deplorably ignorant," "lamentably incompetent," "prejudice and puerile superficiality," "erroneous and misleading statements," "gross misrepresentations," such phrases are thick in Sir Adam's article.

Sifting out the charges from the language, Sir Adam's "examination and refutation" seems to deal with two main points: sinking fund and tax exemptions.

Regarding a Sinking Fund

ON THESE points let us cite Canadian authorities. First, as to sinking fund. Here's an extract from a statement by Sir Adam Beck's own auditor prepared so recently as December, 1924:

For 180 million dollars of capital—some of which had been in use for 20 years, and with bond life from 10 to 40 years—less than 6 million dollars of sinking fund had been set aside to date.

The total investment of the Central Ontario System is 14 million dollars. Sinking fund *will not be* charged on this system until *1926*, when the bond issue of the Ontario Government becomes due and will probably be refunded by a bond issue of the Hydro-electric Power Commission upon which sinking fund will apply.

Another witness! MacKenzie Williams, chairman of the Committee on Municipal Administration and Finance of the Bond Dealers' Association, prepared for that organization in 1923 a report on sinking funds in which these statements are made:

Examination of the state of provincial sinking funds reveals conditions which can hardly be credited. We have examined the individual outstanding funded debts in connection with each province and have calculated the sinking funds at 4½ per cent, which should now be on hand to retire funded obligations as at their maturity.

A comparison of the present sinking fund in hand with the calculated sinking fund brings out in clear contrast the insufficiency of present sinking fund policies of each of our provinces.

Thus, for the Province of Ontario:

The calculated amount of sinking fund at 4½ per cent, which should now be on hand to retire all outstanding issues at maturity	$44,870,333
Sinking fund in hand under the present policy	9,100,655
Present insufficiency of sinking funds under present policies to retire bonds at maturity	35,769,678

And it must be remembered that the major part of Ontario's indebtedness is for her hydro-electric plant.

A third witness—this time on tax exemption. Says the *Toronto Star* for February 9:

In his report to the Smithsonian Institute Engineer Wyer claimed that Hydro rates would be 10 per cent higher if the publicly-owned power enterprise paid full municipal and governmental taxation. Some local authorities say that the difference in rates due to partial exemption from taxation amounts to 30 per cent.

Whichever figure is more nearly correct the Hydro and all publicly-owned utilities should be required, except in extraordinary cases, to pay the same taxation that they would pay if privately owned. An exception might be made to some extent in connection with the municipal taxation on a large plant owned by a group of municipalities.

Others than Sir Adam have leaped into the field. Writing in *Labor* for February 14, Carl Thompson said:

"All rates in Ontario are lower."

Mr. Thompson presents alleged statistics from forty Ontario cities (unnamed) and from forty handpicked United States cities (unnamed), claiming that this comparison proves his statement. Such statistics are, of course, meaningless. A fair comparison is as follows:

The area in Ontario served wholly by hydro power from Niagara Falls and the area in the State of New York served mainly by hydro power from Niagara Falls but also served by hydro power from more expensive sources and by steam power, are reasonably comparable in extent, character and amount of population, character of industries, etc.

The average revenues, less taxes, received from the public in these two areas were:

Ontario	.985c per K.W.H. sold
New York	.907c per K.W.H. sold

The average for Ontario includes the effect of below-cost domestic rates. The average for New York does not include below-cost service to any group but does include the extra cost of a certain amount of hydro power from more expensive sources than Niagara.

The averages for wholesale business handled show even greater penalization of Ontario industry, as follows:

Ontario	.555c per K.W.H. sold wholesale
New York	.339c per K.W.H. sold wholesale

Mr. Thompson denies that the Ontario System is exempt from taxation, but goes on to say that the loss to the Province due to exemption of the Hydro System from taxation is less than one-fifth of the saving due to low rates now charged in Ontario as compared with higher rates charged there years ago by private companies.

Electric rates have come down all over the United States during the same period.

How About Rural Lines?

MR. THOMPSON boasts about the necessity to subsidize Ontario rural lines in order to make it possible for some 2.58 per cent of all the farmers in Ontario to get any electric service at all. Mr. Thompson would lead his readers to believe that rates to Ontario farmers are consequently below rates to United States farmers.

Governor Pinchot's "Giant Power Survey" gives some statistics that are pertinent here.

On page 37 the number of farms in Pennsylvania already having public utility service is shown to be 6.17 per cent of all the farms in Pennsylvania. The percentage is 2.39 times as great as in Ontario, according to the latest published Ontario statistics.

In California a very much larger percentage of farmers has been supplied with electric service through private initiative.

Finally, Mr. Thompson states:

"The System is steadily reducing both taxes and rates."

This statement is untrue. Taxes are increasing. Rates have indeed been reduced to the great group of voters consuming domestic service but have been increased to consumers of commercial light and to power consumers.

Taking the single town of Toronto (the town most widely advertised in Hydro propaganda in the United States), we find that from 1917 to 1923

Average rates to domestic consumers were reduced 22 per cent.

Average rates to consumers of commercial light were increased 74 per cent.

Average rates to power consumers were increased 62 per cent.

The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington April, 1925

"Coldest Neutrality" the Rule

THE PRESIDENT'S Agricultural Conference, in making its recommendations, said this about the Interstate Commerce Commission:

"It is unfortunate that in more recent years the Commission has failed or has been unable to recognize its responsibility as an advocate of the shipper."

To this the Commission excepts. By whom was it instructed to play the rôle of "advocate of the shipper?" Chairman Aitchison, of the Commission, has written to the President that that body is administering definite acts of Congress, with equal impartiality to both shippers and carriers.

Mr. Aitchison quotes from a decision of the Supreme Court of the United States a striking phrase, "coldest neutrality," as indicating the position of the Commission.

It is sometimes surprising to note how fixed is the opinion that such bodies as the Interstate Commerce Commission are organized to protect a helpless public from the ruthless attacks of the railroads or of "big business" in general.

Crying aloud in *The Nation*, Oswald Garrison Villard says that to put Thomas F. Woodlock on the Interstate Commerce Commission would be "another step toward turning that Commission over to those whom it was meant to curb."

The Commission, speaking through Mr. Aitchison, says there is no reason to feel that it was meant to curb the railroads; rather it was meant to see that both carriers and shippers were fairly treated.

Those who advocated the creation of a Federal Trade Commission never saw it as a body whose basic idea should be that business was wrong and that the public needed protection. They saw it rather as a body which could help to settle what was fair play in trade and to create better methods by, and a better knowledge of, business.

Banks Hit—by Farm Prosperity

COMPARING 1924 with 1923, bank loans have decreased 80 million dollars, while cash on deposit in banks shows increase of 70 million dollars, or a net improvement of 150 million dollars in one year in these two items on the balance sheet. The figures do not include sock savings and other incidentals. This financial item relates to that always interesting institution known as Kansas and is given out by the bankers of the state. The banks are complaining about it; they cannot make satisfactory profits on the growing deposits with everybody taking up notes. An annual report of that kind would be a pleasant dream to the head of any billion dollar corporation.

Spending Billions and Saving Some, Too

IN OUR little United States, Class 1 railways are ordering 900 million dollars' worth of equipment this year; we shall spend eleven hundred million dollars building new and repairing old highways; the Bell System budgets 265 million dollars for new telephone equipment; and the radio budget for 1925 will be in the hundred millions class.

All in a single nation's expenditure to conquer space; but let us pick a few more trifles out of a month's news.

We sell the world 4½ billion dollars' worth of goods in a year. We have plastered a mortgage almost 10 billion dollars big on our homes—in order to have more of them.

However, there is hope: 39 million Americans have put 21 billion dollars into savings banks.

In this same country twenty-three men are shown to have become rich enough to give 1,400 million dollars for educational and charitable purposes; they "socialized" property which opportunity and talent gave them.

Thirty-nine millions of us contribute to that savings bank total; in a single year users of electricity bought 180 million dollars' worth of stock in companies that served them; our largest corporation, the Bell System, announces it has 350,000 owners; the railroads have nearly as many stockholders as they have employes; a single corporation insures 20 million of us. Sixty million dollars has found its way into Labor banks.

It is a sound country where everybody can take part in saving as well as in spending.

Summing Up the F. T. C.

INEXCUSABLY LONG and disclosing facts almost free from controversy is the characterization bestowed by one federal court in February upon the record which had been made by the Federal Trade Commission in one of its cases.

The making of such records is one of the chief reasons why the Commission had 264 formal complaints pending on January 1 and 274 on February 1. Simplification of procedure which lies within the Commission's power would enable it to be more prompt in deciding some of its cases.

Decisions in February, 1925, in three cases in which formal complaints were issued in 1919, illustrates a recent criticism made by a lawyer who carefully examined the procedure used by the Commission. He observed that the Commission does not appear to have been built primarily for speed.

Going Faster and Living Longer

STATISTICIANS tell us that we are living in this country on the average some ten years longer than we did a generation or two ago. There are those who feel that whatever science has done for us in the battle against disease has been more than offset by the onrush of the automobile with its street accidents.

Those who feel that worry, may take comfort from some figures recently sent out by the National Automobile Chamber of Commerce. Here is a significant fact:

The number of deaths per 100,000 vehicles in 1924 was 98 as compared with 109 in 1923 and 178 in 1917.

Nor did the good work end with 1924.

The total in January, 1925, for the ten largest cities of the United States was 34 per cent lower than for January a year ago.

Either the driver of the automobile is more careful, or the pedestrian can jump quicker.

Crowding Himself Out of Business

A. LINCOLN FILENE talked to our readers last month on the problem of the small retailer and insisted that he need not be crowded to the wall by mail-order house chain shop, big-city department store or the house-to-house peddler.

Mr. Filene's point was that good merchandising will succeed now, as it always has, whether it be tried in the town of 25,000 or the city of 2,500,000. The merchant must, however, learn to meet new competition with new methods.

What is the plight of the small manufacturer? Is he to be pushed to the wall as combinations of larger plants grow and as mass production is improved?

The National Chamber's Department of Manufacture is seeking the answer to these questions and finds one very much like Mr. Filene's answer to the retailer. The small manufacturer can live and will live, but he can only live as he learns new ways. He must learn, like the storekeeper in the small commu-

nity, to capitalize those things which are peculiar to him because of his smallness. It may be that quality production is his best hold, or that he can render quicker service because of his closer contact with his workers and with his customers.

Bottles and Black Magic

CHARLIE CHAPLIN once asked Douglas Fairbanks to give him the use for ten minutes of an immense papier-mache castle built for the purposes of a motion picture. What could a comedian want with a castle? Charlie replied that he wished to lower the bridge over the moat and get the morning's bottle of milk.

This is the essence of the comedy of contrast: for what can be further removed from the medieval fortress-home than the bottle in which you receive your morning's milk? This transparent container is a map of the western hemisphere. Into its making went cobalt from Canada, niter from Chile, cryolite from Greenland; and to represent the United States there were sand from West Virginia, soda ash from Ohio, limestone from Michigan, feldspar from North Carolina, antimony from Utah, silenium from Montana, zinc for the cap from Missouri and a porcelain lining containing fluorspar from Kentucky.

In the day of the drawbridge and moat, anything of glass was supposed to be a product of black magic. The magic of modern business, delivering your milk, has dispelled a superstition in your service.

Speed !

SIXTEEN engineers, working in seven cities, missed their Sunday dinner, let the afternoon pass, and tinkered into the night, testing out the first long-distance circuit of the fastest thing in news transmission. This intricate little machine sends 2,160 impulses over a telegraph wire in one minute. A press association operator who sends "prans" when his copy reads "The President today sent to the Senate the following nominations"; and "pow" for "The Prince of Wales"; and "gx" for "great excitement," can send on one wire about thirty words a minute. The new telegraph printing machine, sending six impulses for each letter of each word, can transmit sixty words a minute; doubles the speed of the fast press wire. Two of them deliver 120 words a minute; 7,200 words an hour; or nearly 60,000 words in eight hours. This would fill eight or ten solid pages in a newspaper.

These things make the world a neighborhood.

Why Bother About $19?

DISARMAMENT is a noble aim, but the sentimental side didn't appeal to the man who wrote thus to the Treasury Department:

"It's a fine time to write to a poor man that he owes $19 back income taxes, and the very day he gets the letter, the Government goes out and sinks a $30,000,000 battleship."

It Comes Out of the Stockholders

TOM WARREN and John Nelson, working in the Detroit branch, wanted a raise and deserved it. Everything had gone up—rents, groceries, meat and milk, church and lodge dues—everything except the pay check, and they simply had to have more money, couldn't get ahead without it, and everybody who amounts to anything wants to lay up a little. Same way with the men in New York and Cleveland, Akron and Omaha, Seattle and San Francisco, Jacksonville and Richmond.

And then there were the other employes out in Tinyton, Weeping Willow, Birdview and Swanson's Creek. Their cost of living was little more than half of that of the boys in Indianapolis and Kansas City, their pay greater than the scale prevailing in their home communities and hours much shorter. In fact, there were a dozen applications on file for every one of their jobs. They had used influence, pull, drag at headquarters, to get on the payroll in the first place.

So the board of directors met and justly decided to raise the pay in the centers where living costs had run wild. "And while we're at it, let's just raise all the boys straight down the line, even where they are satisfied and glad to get their present pay," was the idea. "It comes out of the stockholders—let's be liberal."

When this reached the general manager, who had been selected by the stockholders because they knew he was honest and would put an end to waste and extravagance, he protested. "We want to be fair, but we don't want to be extravagant," said he. "Besides, where's the money to come from? Nothing doing in this 'let's make everybody happy and forget the expense' if I'm attending to my job."

The directors waited a few months and once more ordered the blanket increase. As for getting the money, that was easy. They simply shoved up the price of merchandise.

That is the story of the postal salary increase bill, with Congress as the directors, President Coolidge as the general manager, and 110 million Americans as stockholders. Raised the men in the high-cost center, who deserved it. Raised, too, those in the rural districts. Raised everybody. To get the 68 million dollars necessary to pay the bill, they added to the rates.

Finally, the stockholders pay.

It happens to be the way Government conducts business. If a business house followed these methods, the receiver would soon be in charge.

First Make Fifty Million Computations

"LET'S change the rates," is the dominant note in every discussion of the railway question. Easy as tearing a sheet off a last year's desk calendar.

For a month the Interstate Commerce Commission has been listening to a proposal to readjust rates on the lines in the area between New York on the east, Pittsburgh and Buffalo on the west, the Canadian border on the north and Virginia on the south.

Seven thousand five hundred stations would be affected. To establish the proposed mileage scale as a basis for rate-making, it would be necessary to find the distance from every point to every other point.

That would require more than 50 million computations.

To save going into the computing business the roads took about one-fifth of the stations, none of them more than twenty miles from another, and figured the mileage. More than 2 million computations and a big, heavy book for the Commission to study.

That applies to one section of the country alone and would affect only one-third of the tonnage in that section. Take into consideration the entire United States and the mind staggers.

As Mr. Mark Potter said, on retiring from the Interstate Commerce Commission, the making of railway rates is a science that few have mastered. A highly complex science, we'll add.

The Gift of Business Plus Science

JOHN WHITE HOWELL, the electrical engineer to whom was awarded the Edison medal this year, talked electric lamps on the occasion of accepting that honor.

In 1881 the Edison lamp works made 35,000 lamps. Now the output of electric lamps to light the world is 3,000 a minute.

And what is still more impressive is that the value of the tungsten filament lamp measured by length of life and lighting power is 325,000 times that of the carbon filament lamp of 1881.

Wholesaling Also Has Its Wastes

By IRVING S. PAULL

"ELIMINATE the middleman." That has been a favorite battle cry of the ardent reformers of our distribution system.

Yet the very ones who cry out loudest that the middleman must go are often the ones who shed the largest tears for the small retailer in his struggle to meet the competition of chain store and mail-order house.

It is hard to see how the retailer could do business without the wholesaler, how he could handle with economy any considerable variety of products if he had to procure each line directly from the manufacturer.

The wholesaler assembles the products of hundreds, and sometimes thousands, of manufacturers into his warehouse for the convenience and the service of the retailers in his surrounding territory.

Without him the retailer would have to order hundreds of items from manufacturers in every section of the country or cut his stock to a point where his business would die of dry rot.

Has a Definite Place

THE manufacturer would find it necessary to carry thousands of small accounts, and his shipments would be in small units, while his sales organization would have to cover cities, towns, villages and cross-road stores.

Wholesaling has a definite place in the distribution of billions of dollars' worth of merchandise, but no group in the business community has been beset by more difficulty than the wholesalers during the past five years.

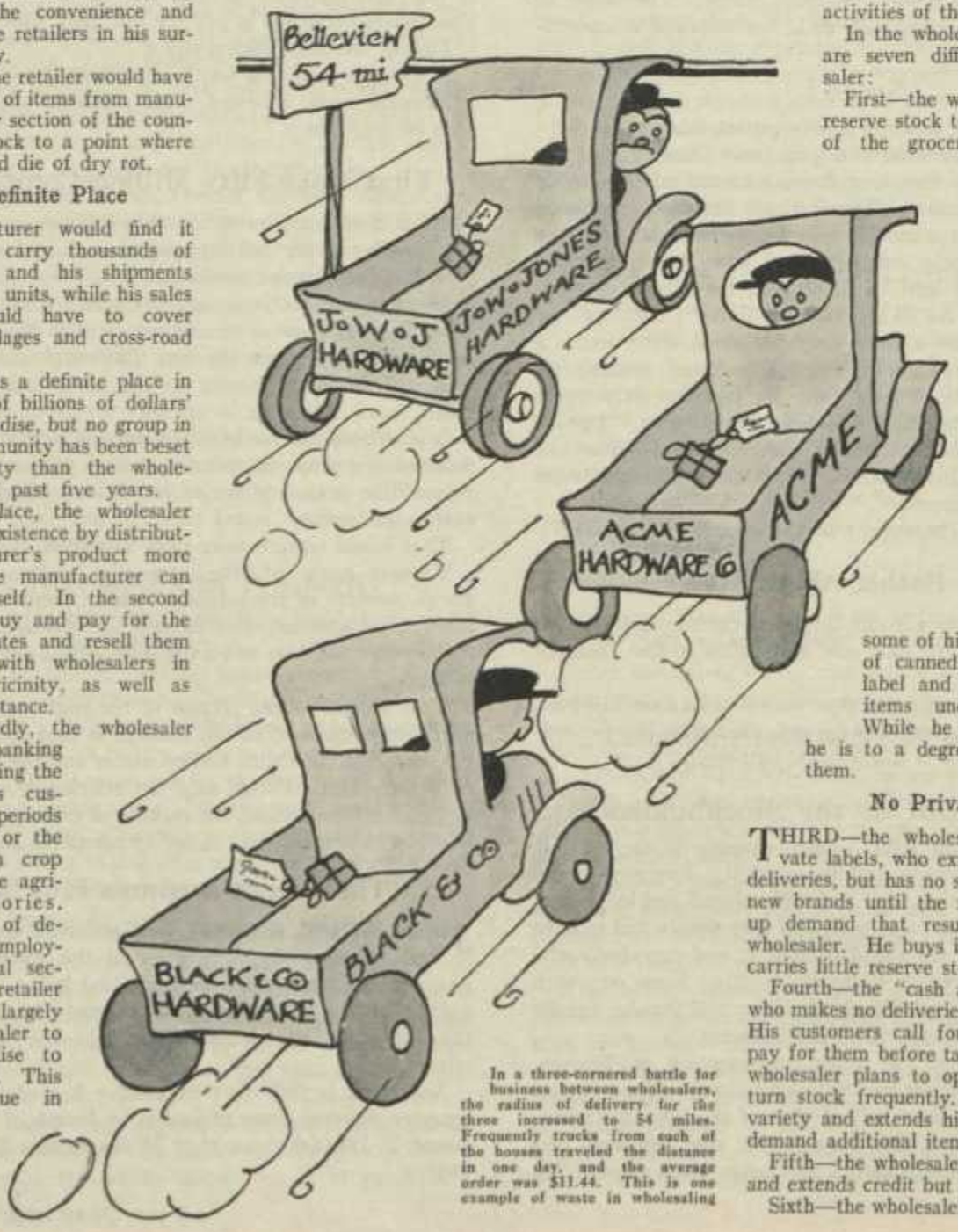
In the first place, the wholesaler must justify his existence by distributing a manufacturer's product more cheaply than the manufacturer can distribute it himself. In the second place, he must buy and pay for the goods he distributes and resell them in competition with wholesalers in his immediate vicinity, as well as others from a distance.

Speaking broadly, the wholesaler engages in a banking business by carrying the accounts of his customers during periods of slow business or the intervals between crop settlements in the agricultural territories. There are times of depression and unemployment in industrial sections, when the retailer must depend largely upon the wholesaler to supply merchandise to be sold on credit. This is especially true in groceries. Not infrequently the wholesaler finances a manufacturer by ordering large quantities of his product in advance of his needs and either paying for them in cash or lending him credit in the form of trade acceptances, or short-time notes. In some instances the wholesaler takes a speculative risk, which he discounts by demanding an extremely low price and by making special effort to dispose of the goods at prices that seem attractive to his customers.

THIS is the third of a series of articles by Irving S. Paull.

The first dealt with distribution wastes in general. In the second Mr. Paull discussed wastes in retailing and this month he deals with wholesaling. His next article, which takes up some of the problems in the manufacturing link of distribution, might be called "The Cost of Too Many Kinds."

Other articles which will appear early in the series are "Waste Is What Part of Price?" and "Distribution without a Purpose."



In a three-cornered battle for business between wholesalers, the radius of delivery for the three increased to 54 miles. Frequently trucks from each of the houses traveled the distance in one day, and the average order was $11.44. This is one example of waste in wholesaling

While it seems very easy to define the function of wholesaling, the practices are so various that even the wholesalers themselves find it difficult to describe their field. In some instances the wholesaler takes over some of the activities of the manufacturer and in others he assumes some of the activities of the retailer.

In the wholesale grocery field there are seven different types of wholesaler:

First—the wholesaler who carries a reserve stock to meet the requirements of the grocers in his distributive territory maintains a sales force to cover constantly his field, extends credit, delivers within the radius of his immediate community or delivers to the transportation companies for shipment. This wholesaler produces and sells no goods under his own label and cooperates with manufacturers to build trade in the territory he serves.

Second—the wholesaler who, in addition to the services rendered by the first, roasts coffee, grinds some of his own spices, has a line of canned goods under his own label and possibly carries other items under his own brand. While he serves manufacturers, he is to a degree in competition with them.

No Private Labels

THIRD—the wholesaler who has no private labels, who extends credit and makes deliveries, but has no sales force and buys no new brands until the manufacturer has built up demand that results in orders for the wholesaler. He buys in smaller quantity and carries little reserve stock.

Fourth—the "cash and carry" wholesaler, who makes no deliveries and extends no credit. His customers call for their own goods and pay for them before taking them away. This wholesaler plans to operate at low cost and turn stock frequently. He carries a limited variety and extends his line only as retailers demand additional items.

Fifth—the wholesaler who has a sales force and extends credit but makes no deliveries.

Sixth—the wholesaler who also operates one

or more retail stores in addition to wholesaling in his community.

Seventh—the cooperative wholesale organization, owned by a group of retailers who pool their orders and carry a comparatively small reserve stock of staple lines in the wholesale warehouse.

Chain grocery stores are to a very large extent their own wholesalers. They maintain warehouses which receive goods from the manufacturers and break bulk and distribute to their branch stores.

Manufacturers in many instances take over the function of wholesaling by distributing their products directly to the retailer.

Wholesaling isn't a perfect method any more than manufacturing or retailing. There are wastes, and some of them seem obvious to a trained observer not hardened to the customs of the trades.

For instance, this is what I heard a few months ago while sitting beside the desk of the manager of a moderate-sized wholesale grocery house. The telephone rang, and the switchboard operator reported that the Parker Grocery of Manchester wanted to talk to the manager on a reverse-charge call. (The town wasn't Manchester, and the groceryman wasn't named Parker, but the rest is true.)

The customer complained at not receiving his delivery, which should have been at his door at 2 o'clock. It was then 4.30. Manchester was 37 miles away. The manager sent for the shipping clerk.

"Where's Murphy? Parker's are complaining again because they haven't received their order on time."

"Murphy reported from Beaverbrook Hill that he had lost a fan belt," said the shipping clerk. "He had to send into Clayton for one, because he couldn't leave his load to go after it himself. He was delayed three hours."

A Wasteful Delivery Race

THERE was more discussion regarding hot engines, the advantage of carrying extra supplies, the irresponsibility of truck drivers, etc.

The conversation sounded more like a train dispatcher's explanation of delayed traffic than a question of service of a wholesale grocery house. However, the manager called the Parker Grocery and explained the delay.

This is what I learned: Three wholesale groceries in the city of 100,000. The head of one died a couple of years ago and was succeeded by his son, who decided to stimulate business by extending free delivery service to the retailer within a radius of 25 miles. He began to take business away from the other two houses.

They matched service and extended free delivery to include towns within 30 miles. It became a three-cornered battle, each house trying to outdo the others. The radius of delivery had been increased to 54 miles.

The grocers within the 54-mile radius had learned that they could secure as good service on small orders as larger ones and that they could split the business among the three houses with some advantage. It frequently happened that the trucks from each of the wholesale houses traveled to the same town 50 miles away, on the same day, a total mileage of more than 300 miles.

The average order delivered to the most distant points was $11.44—trips of 300 miles to deliver merchandise worth $34.32. The average margin on which these wholesale grocers had operated was approximately 11 per cent., or a margin of $3.78 on $34.32.

The retailers threatened to withdraw their patronage, but the wholesalers discontinued the service and now deliver three times per week within a radius of 10 miles. Their volume of trade has increased, but it is now divided between two houses.

The young proprietor of the third house bought one of the competing concerns and took its general manager into the new institution, because he needed some one to manage the business, while he devoted himself to a study of the problems of wholesaling.

In the foregoing case the waste could not be passed directly to the retailer or the consumer, but had the competitive delivery service continued a few months longer, society would have sustained the loss that always attends failures.

New Problems Arise

DURING the post-war period the retailers learned the dangers accompanying overstocks in declining markets. The result has been a general practice of buying for immediate needs and for frequent stock turn. This has created new problems for wholesalers and compelled many adjustments, with still more to be developed.

The wholesale hardware dealers have discovered that average orders are much smaller than they were before 1919. One wholesale hardware house employs twenty-one men in its shipping room, which formerly operated with only six men. Not many months ago the manager found that the morning mail contained ninety-three orders from salesmen and mail-order customers. They totaled $736, or an average of $7.90. Ten years ago the average order amounted to approximately $20.

To secure volume it has become necessary to send salesmen over the territory more frequently, notwithstanding the fact that traveling expense has increased very greatly within the past few years.

The wholesaler and manufacturer have a common problem in the item of small orders. It frequently happens that retail orders are for a "minimum unit package" of an item which the wholesaler finds can be shipped directly from the factory to the retailer. This saves cost of receiving, putting in stock, selecting from stock and packing for shipment and hauling to the station.

Of course, the manufacturer has the cost of handling the small shipment, and as these small orders for "direct shipment" have become numerous, the manufacturer's shipping room contains an increased number of men. He now proposes to charge the wholesaler for the extra service, besides suggesting that the wholesaler should carry sufficient stock to fill all of the small orders.

How the Hardware Man Is Hit

THIS situation has reduced the wholesale hardware dealer's operation to slightly more than a retailing service in supplying retailers' requirements. The cost of operating a wholesale house under these conditions is hardly less than the cost of operating a retail store. The only hope for profit and economy lies in eliminating waste. Some wholesalers have reduced their operating cost and helped the retailer at the same time.

One wholesale hardware dealer has so completely analyzed his business that he knows the cost of handling every item in his stock. He knows the volume of demand for each item and its relation to his total business. He has very accurate knowledge of the same facts with reference to the same items in the hands of the retailer.

In order to maintain a steady flow of merchandise through his own establishment, he works as closely as possible with retailers to avoid overstocking them.

He first wanted to know what items in his stock supported the business and which items were a burden. He analyzed sales records and daily sales, with the result that the products of more than a thousand manufacturers represented less than 30 per cent of his total business, while the products of fewer than seventy-five manufacturers represented more than 70 per cent of the total business.

In fact, about 50 per cent of the total sales were on the products of less than twenty manufacturers.

The next task was the eliminating of burdensome stock and allocating cost first to departments and then to items.

The information that the wholesaler secured was of even greater value to his retail customers, and for every economy he could secure there was an economy possible for his customers.

He has not only reduced his own operating margin approximately 2 per cent, but he has made it possible for his retail customers to do almost as well. What is equally interesting is the fact that both he and his customers are operating with an assured profit.

The accuracy of his figures has become so well established that they are accepted by manufacturers of the lines he carries as a basis for prices to the trade on new products and are later confirmed by their own cost experience. He has rendered a most valuable service to the entire industry while finding a practical answer to his own problem.

Study Decreases Costs

A WHOLESALE grocer recently approached his problems along the lines I have just presented. One of his first discoveries proved the importance of such study. He had been sending salesmen over a territory extending from five hundred miles in one direction to two hundred and fifty in other directions.

The sale of staple merchandise diminished rapidly beyond one hundred miles, and his business in the outer zones of his territory was confined to a few specialties. Analysis of cost showed that the margin on those articles would not support his selling cost.

More complete study of his sales showed him that he was not justified in covering territory beyond a radius of seventy-five miles.

By more intensively covering his natural market and eliminating unnecessary competitive allowances, he reduced his cost of operation 2½ per cent.

However, he learned some interesting facts about moving merchandise in analyzing his stock. Unconsciously the practice of covering up merchandise on hand with new goods had developed. This resulted in finding old stock, some of which had been in the warehouse as long as two years, and had depreciated. In fact, some merchandise had to be destroyed because it could not be offered to the trade.

Merchandise is now piled in squares. The old stock is moved forward, and the new stock piled behind it. In this way he avoids the accumulation of unsalable merchandise. He also finds an advantage in having all stock in plain sight, because it serves as an automatic barometer of supply on hand. The actual merchandise makes an entirely different impression than figures on an inventory sheet, and he controls his buying and turnover more effectively.

This wholesale grocer has found economies amounting to one-half of 1 per cent in his warehousing and 2½ per cent in his selling, making a reduction of 3 per cent in his overhead cost. He knows that his wastes were greater than his profits, because he has found wastes amounting to 3 per cent, and his profits last year were a third of 1 per cent.

And Now, the Case for the Employe

By RICHARD F. GRANT

President, Chamber of Commerce of the United States



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Richard F. Grant

IN THREE previous articles I have discussed the contributions and responsibilities of capital, the task of management, and the part which the public plays in modern business. Now I wish to direct attention to the employes.

Employes are in the same situation as the other constituent elements. Just as capital cannot perform the business function by itself and without the other elements, so employes cannot of themselves perform the business function. There are certain fundamentals involving not only the future welfare of the wage-earner but the entire business structure, which can, I believe, be definitely determined and agreed upon by all parties and interests.

Some of the fundamentals seem easy after we have the facts. We should not try to progress too rapidly and try to solve the whole problem at once, but rather build from fundamental to fundamental. We violently discuss these questions during times of labor strife and then forget about them. During periods of labor strife we find the worst possible time to do a constructive job.

Practically all the difficulties between the employer and employe turn on two questions: first, the compensation of the employe; and second, various conditions surrounding his performance, such as hours of labor, restrictive practices and so on.

The effort of trade unions has been for the most part directed to increasing wages, lessening hours of labor, changing conditions surrounding performance. The effort has been made solely with the supposed interests of the employe in mind and with little regard for the other elements in the picture of industry as a whole.

It must be conceded that to no small degree has the betterment of the position of the employe in wages, hours of work and working and living conditions, been due to the trade unions. Naturally the unions, working entirely from the standpoint of a supposed self-interest, have met resistance from the other elements as a matter of self-preservation.

In every movement, here and there we come across people who have an altogether different point of view. They say, and usually in a loud and shrill voice, that capital, management and the public are antagonistic to employes, and that employes must fight all three. These folks ordinarily picture you and me, in so far as we are capitalists, as being a particularly ferocious modern variety of Baal

Illustrations by John E. Jackson



The business man must dream in terms of possibilities—not platitudes. Therefore, improvement for his employes and his business must not be of a day or a week, but of lasting prosperity.

—gory with the blood of human beings we have consumed. They usually picture employes as having a downtrodden, unhappy existence, and all bent on taking a most heathenish vengeance upon you and me. As normal human beings we never think of our own employes as they are pictured in these wild caricatures, and employes seldom think of employers whom they know as being a modern Baal.

The worker is a consumer as well as a producer. He does not belong to one class, but to two and sometimes more. If he is "class conscious" as a producer, he is equally so as a buyer of goods. He is also fast becoming "class conscious" as an investor. Generally speaking, we all know that we prosper or we suffer together, and we all realize that it is in the individual interest as well as in the common interest that our average standards should be as high as possible. Higher average standards can be accomplished only by pulling up the whole fabric. We want everyone everywhere to be well housed, well fed, happy and contented and well provided for in every respect, because that makes the most satisfactory sort of a world to live in.

Employment Is Result

NOW, OF course, capital, management and a consuming public must all combine before a business activity starts. Employment is a result. It is in the interest of all the elements when an activity starts that it shall function and grow. Unfortunately we fall far short of this ideal performance. It is in the public interest that we should, if possible, determine the why and set about the remedy.

Any discussion of employment, therefore, soon discovers that unemployment and business depression are the deep-rooted factors in our problem that require examination.

At the outset, I believe that we can point out two fundamentals:

First: The present standard of wages and living has been made possible through the increased output per man in production.

Second: Generally speaking, increase of wages depends upon further reducing the cost of production.

If we can demonstrate that it is in the interest of labor to increase output per man, and if labor thoroughly understands and appreciates these fundamental factors, we can automatically solve many of our problems. Labor will then be interested only in those restrictions of hours of work and improvement in conditions of performance that are entirely reasonable, and will be opposed to those things which merely restrict production per man. Labor is entitled to reasonable hours and reasonable conditions of performance. It should realize that it hurts itself in going to the point of restricting production.

I believe that a survey of our business men would show in most conclusive fashion that they are interested in all of the people of this country, that they want to strive to carry the general level of human welfare, already in the United States beyond the height ever reached in any other country or at any other time, to new heights. The same survey would show, however, that business men are thinking in terms of possibilities and not in platitudes.

They are not only thinking of possibilities but they are realizing them. They are con-

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stantly increasing the number of units an employe can make, while actually lightening his labor. In the result appears the explanation of the great advance made in the United States. The employe himself can obtain a higher wage. As a consumer he buys an improved article at a lessened price.

The wages of today are paid because modern machinery has made great production possible. It is this production which creates wealth. Rising wages and increasing production per man go hand in hand.

At this point some folks misunderstand. They think that increased production, no matter how it is obtained, must mean longer hours and more arduous labor. The advance in the United States has been exactly in the opposite direction. There has been a reduction of the labor factor in production. The working day and the working week have become shorter, not longer. The labor that is entailed is less arduous than ever before, in the same occupations.

Intelligence Is Keyword

THE SECRET lies in application of intelligence to effort.

Consider the American automobile industry. That is a field where the forces of efficiency have produced marked results. The investigators report that a company which fifteen years ago produced a car that sold for $2,500 today





The worker does not belong to one class. He is a buyer of goods as well as a producer. He is also an investor. His brotherhoods are becoming bankers, large bankers—"capitalists" as it were

produces a vastly superior car for approximately the same price, even though the dollars it receives have less purchasing power in other commodities, and it has doubled wages. The explanation is found in other data incorporated in the report, showing that whereas in 1912 the company found it took 4,664 man-hours to build its car, in 1923 the same company built its improved car with 813 man-hours. Such an achievement, of course, means more efficient machines. They are numerous in the automobile industry. One will answer by way of illustration. It is the machine used for turning crank shafts. By substituting new automatic lathes for the lathes formerly in use, a company increased by 300 per cent the production per man—in other words, saved 75 per cent in labor and saved 80 per cent in floor space as well.

What this has meant to employes can be suggested by a glance at figures for a period of twenty-five years.

Twenty-five years ago the average weekly wage of machinists was a trifle over $14. The hourly wage was around 25 cents. The week contained 56 hours. In automobile shops at Detroit, the weekly wage is now over $37, the hourly rate is 86 cents, and the week contains 44 hours or five eight-hour days and a half holiday on Saturday. In other words, the weekly wage rose by 171 per cent, the hourly wage by 244 per cent, and the weekly hours of work decreased by 27 per cent.

If anyone wishes other illustrations of the way the employe has improved his own fortunes while labor costs have been reduced, he can turn to any typical American industry for which accurate data exist.

Shoes are altogether different from automobiles. I might take them for a second example. There are data which go to show that in 1863 the labor cost of making 100 pairs of men's shoes by hand was in work 1,831 hours and in money $458. Twenty-five years ago, when machinery had been introduced into the industry, the labor cost for making the same 100 pairs of shoes was 236 hours in work and $59.54 in money.

There are plants in the United States which now make 100 pairs of such shoes at a labor cost of 168 hours in work and $55 or less in money. Twenty-five years ago the average hourly wage of everyone who worked on the shoes was 25 cents, and in the plant which now produces the hundred pairs for $55 the average hourly wage is over 50 cents. In the shoe industry, therefore, it is fair to say that in twenty-five years there has been a saving of 28 per cent in labor, a reduction of 7 per cent in labor cost, and an increase of 100 per cent in the wage rate.

When all employes, organized or unorganized, make it a part of their effort to lower costs of production, they will experience a different sort of reception from the other elements, and by the same process they can continue their advance toward their present objectives. In other words, the employe must join in the effort which makes advance possible. A vast amount of this advance in the past has been made against his resistance. What a happy day when employes will join with management in a united sincere effort to study production problems and reduce production costs.

This is the biggest problem and the greatest opportunity before the employe today. Once accomplished, the employe need not fear that he will not get his proper share of the results of mutual enterprise mutually conducted.

Worker Without Work Is a Loss

THE WORKER who has no work is in a bad condition. The best estimates tend to show that in our bad years we may have idle as much as 20 per cent of our productive capacity. If that is even approximately correct, the loss runs into billions of dollars. A heavy part of the loss is borne by the employes but their loss affects every walk of life and every section of the country. In a country where the markets of each section and each industry are usually nation-wide, each form of production and distribution has an interest in the welfare of every other form, and this interest extends to the humblest contributor to the activity, whether he is a worker with his hands or an investor of his savings. Our

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economic interdependence has thus become as strong as our political union, and a thing we take quite as much for granted. How could it be otherwise when more than half the total national income is in the earnings of employes who receive less than $2,000 a year; and if there is included in the calculation wages and salaries which amount to more than $2,000 a year, that part of the national income received by all employes goes well above 60 per cent of the national income. Predominantly, the workers in America are the buyers of the products of American industries. No matter what importance we attach to our foreign trade, all of us know business finds the greatest market among our own countrymen.

Strives Against Fluctuation

AMERICAN business strives against fluctuations in production and employment.

Our last depression was upon us in 1921. In that year manufacturing companies had 47 per cent less business than in 1920, and 120 per cent less net income after paying their taxes. Our wholesalers and retailers had the same experience, except that their gross business was off less and their net income was less by 140 per cent.

If the cause were in overproduction, the committee appointed by the Secretary of Commerce would have found itself in a hopeless position. Its first task was to study means of preventing unemployment. Employment exists for only one purpose, production. To find means of increasing employment at a time of business depression, the committee had to advocate more production. It actually recommended that when economic depression caused unemployment, production effort should be turned into new directions, as into new plants and new roads and new public buildings.

As the principal consumers of American products and as sufferers in common from the scourge of business depressions, employes, investors and managers are interested in keeping down the costs of production and in getting them constantly lower. If an investor finds that the cost of production is going up in his business, he should become alarmed for his capital. If an employe discovers that costs are going up, he should begin to fear for his job. Both should insist upon a change in direction.

Sometimes one or the other gets an idea that the part of the cost due to him can be increased at the expense of the other. The outcome of every such attempt written in the history of our crises proves it cannot be done; at best this man succeeds only in hurting himself and the other fellow. Increased wages which simply mean increased cost of the thing produced, merely increase the cost of living and start a vicious circle that leads nowhere. This is not because of any diabolical element in business, but because of economic principle that has appeared in every system under which mankind has lived.

Lowering the cost of production is not synonymous with decreased wages. Like the investor and the manager, the employe has to live the year around.

No modern employer begrudges his employes large earnings. The larger they are the better he is pleased, provided the cost point does not go up; for he sees in large earnings increased opportunities for his employes and their dependents to be useful and happy members of their communities. He has a much more reasonable assurance of less turnover of his labor with the loss that ensues therefrom.

Improvements Are Many

WE HAVE come a long way in improving the living and working conditions of our employes and there is no logical reason to suppose that we have today reached the ultimate any more than fifty years ago.

I have confined this discussion to two fundamentals because I believe that they must be settled and determined by all parties in interest before we can approach any other question. Is it too much to hope that our leaders among the employes and our leaders in industry will some time come together in a national way and determine these two questions, and that their findings will become a part of the fundamental knowledge of every man, woman and child in the country, and the basis for a new advance in general prosperity?

This is the last of a series of articles on American business by Mr. Grant.—The Editor.

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"

TRADE and industry have felt some disappointment that livening up of distributive trade has been slower than expected, though not in all districts.

Cold weather, bad roads, comparisons with the fairly good buying at this time last year, and last but not least conservatism as to future buying—these are all reasons assigned for the failure of buying to meet expectations based on the great speculative wave which ran through the last half of 1924 and has swelled over into 1925.

It is this relatively greater activity in speculation than in trade, this latter quite clearly reflected in bank clearings and debits totals, which has buoyed up trade feeling and which has been expected to be a precursor of trade activity at least in the first half of the current year.

A Relatively Leisurely Pace

ILLUSTRATION of the relatively leisurely pace in trade as compared with certain active industries was had in the January Federal Reserve Bank report. The report showed that industrial activities were 8 per cent in excess of January a year ago, that wholesale trade was 2 per cent and retail trade (department stores) a good fraction of 1 per cent below January of last year despite the concedelly greater effort made in the latter direction by means of intensively advertised sales.

In two branches of retail trade, mail-order buying and chain-store selling, there was no complaint to make, both of these gaining over 1924.

February department-store trade, however, fell off slightly, as did that of January, from the like months a year ago. February measures of movement thus far to hand point to a duplication of January's ascertained record as to distributive trade but indicate also a slight slowing down of buying from some industries, as for instances, iron, steel, lumber, shoes and furniture, which were satisfactorily active in January.

Gains in bank clearings and debits over a year ago in February were at a slower pace than in January, commodity price indexes repeated the record of January in another slight decline, and failures held to January's excess over last year in number although liabilities shrunk greatly, almost one-half, in fact. This was because the figures were in comparison with a period last year when bank failures were numerous.

On the other hand, pig-iron production set up a new high peak rate of daily production, and steel output was also heavy although the softening of pig-iron prices, the further weakening of scrap material and the slowing down of steel buying, was connected in many minds with the slight price advances announced for the second quarter of this year, some of which have been apparently abandoned.

Lumber buying early in February did not measure up to anticipations but improved late in that month. Meanwhile a movement to curtail production was noted in the north Pacific area. Cotton manufacturing was active, especially at the south, this being supported by the strength in raw cotton.

Fertilizer manufacturing activity was noted as practically universal, except in parts of the southeast where flooding rains were reported in the preceding month. Buying of agricultural implements was about as active as any other line, especially in wheat-raising areas.

Something like a breathing spell was seen in stock speculation in mid-February when average prices of railway and industrial stocks sagged and some experts thought the market had passed into the stage of distribution.

Money hardened and the rise in the Federal Reserve Bank's rate of rediscount from 3 to 3½ per cent was variously attributed to large gold exports, prospects of general trade's expansion calling for more money, and a desire to bring the rediscount rate up to a par with rates in other branches of the system. The Bank of England advanced its rate to 5 per cent early in March.

Brokers' Loans Set New Mark

THE FEELING of relief at the adjournment of Congress was signalized by a rally to new high averages, the rise in industrials being notable. Bond price averages rose slightly over the month which was esteemed a reflection of the idea that really high rates of money were not to be witnessed shortly. New York brokers' loans were said to have reached a new high total in early March surpassing slightly the previous high of February, 1920.

In other speculative markets, features were —a sharp rally in wheat late in February and early in March, to a level only slightly below the peak for May, and a new high for July (new crop) wheat, but almost as precipitate a decline was shown in a few days.

Cotton seemed to have gotten under the influence of new crop conditions in January and rose further in February and March to the highest point since late October. Dry weather



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Cincinnati	Parkersburg
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Kansas City	Toledo
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Lincoln	Vancouver B. C.
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*Memphis	Wilmington
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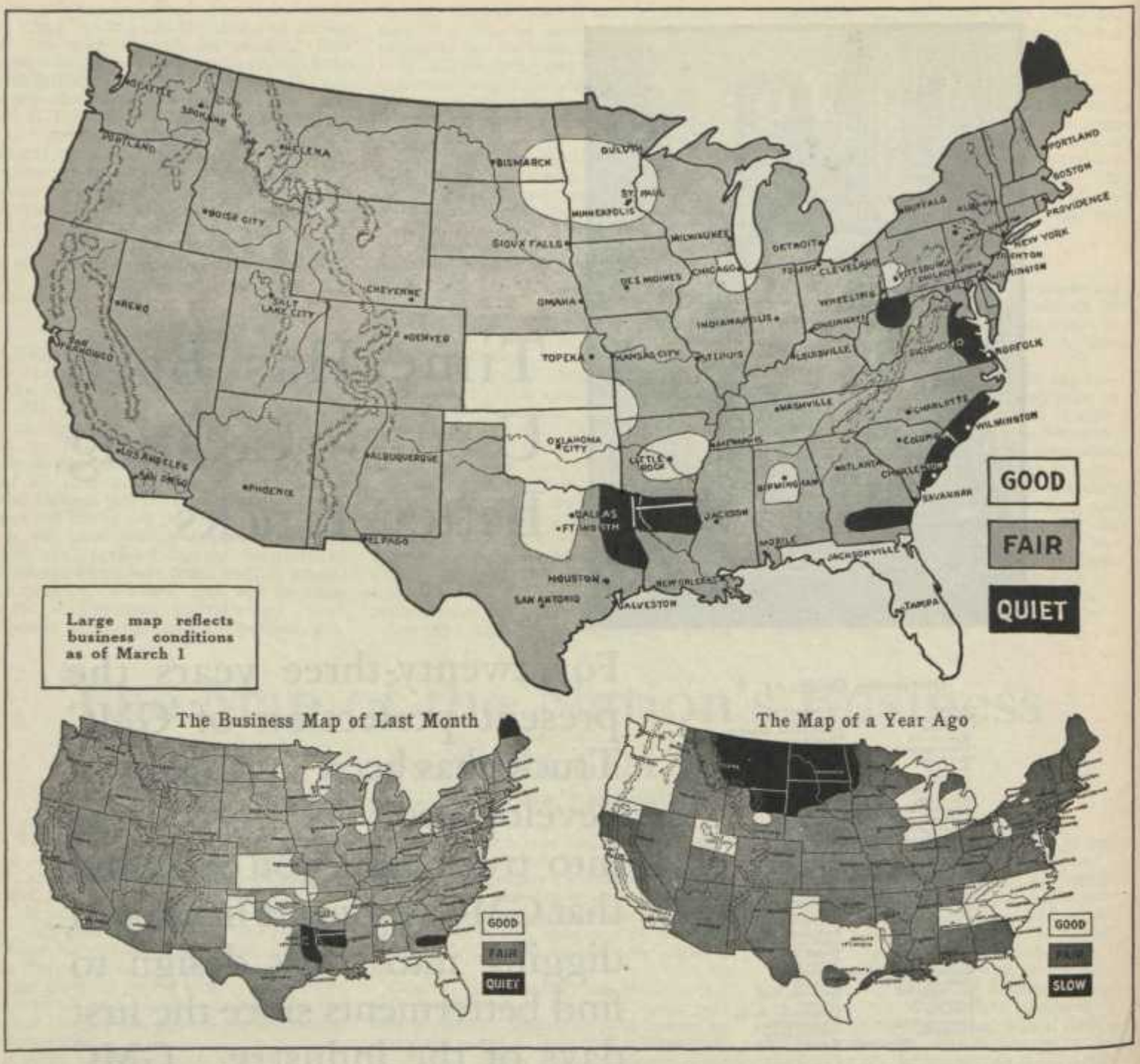
For twenty-three years the present perfection of GMC Trucks has been in process of development. When you dig into truck facts you will find that GMC engineers have been digging into truck design to find betterments since the first days of the industry. GMC experience avoids mistakes.

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in Texas and some predictions of a possible recurrence of boll weevil damage coupled with the very large exports of this staple were bullish influences.

Predictions of higher prices for livestock as a result of the short corn crop found confirmation in slightly higher prices for cattle, sheep, lambs but most important of all, hogs, which early in March were $6 per 100 pounds above a year ago with a prompt reflection in retail prices for all meats, only partially mitigated by a seasonal reduction in eggs.

Among the industries, a feature was that on March 1 pig-iron production was at the annual rate of 42,200,000 tons as against a peak production in 1923 of 40,361,000 tons.

Lumber orders for the year to late February were 11 per cent below a year ago while production was 1½ per cent lower.

Bituminous coal production for eight weeks was 8 per cent and anthracite 9 per cent below a year ago at the same date, but for the coal year beginning April 1, soft coal is 16 per cent off. Early last year, it will be recalled, production was large in fear of an April 1 strike.

Car loadings were 1.8 per cent larger than a year ago, the greater part of the excess being in merchandise and less-than-car-load lot shipments. Coal, grain, ore and lumber shipments were lower.

February car loadings fell three-tenths of one per cent below 1924, whereas the five weeks of January showed a gain of 3.6 per cent.

Bank Clearings Gain

BANK clearings for February gained 11.5 per cent over a year ago against a gain of 20.4 per cent in January. Failures to March 1 showed 5 per cent increase in number but 46 per cent less in liabilities than a year ago.

The commodity price index which declined three-tenths of 1 per cent in January receded about the same amount in February and was about even with the index number on March 1, 1923.

Between that date and March 1 this year have intervened a decline of 12.2 per cent (to July 1, 1924), and a rise since of 13.1 per cent which rather negatives the frequently heard remarks that commodity prices have become relatively stabilized. New building permitted for in February aggregated $247,309,777, a gain of 24.1 per cent over January but a decrease of 3.6 from February a year ago. Building permitted for at New York fell 36 per cent a year ago, while at 159 other cities the total was 20.7 per cent larger than February a year ago.

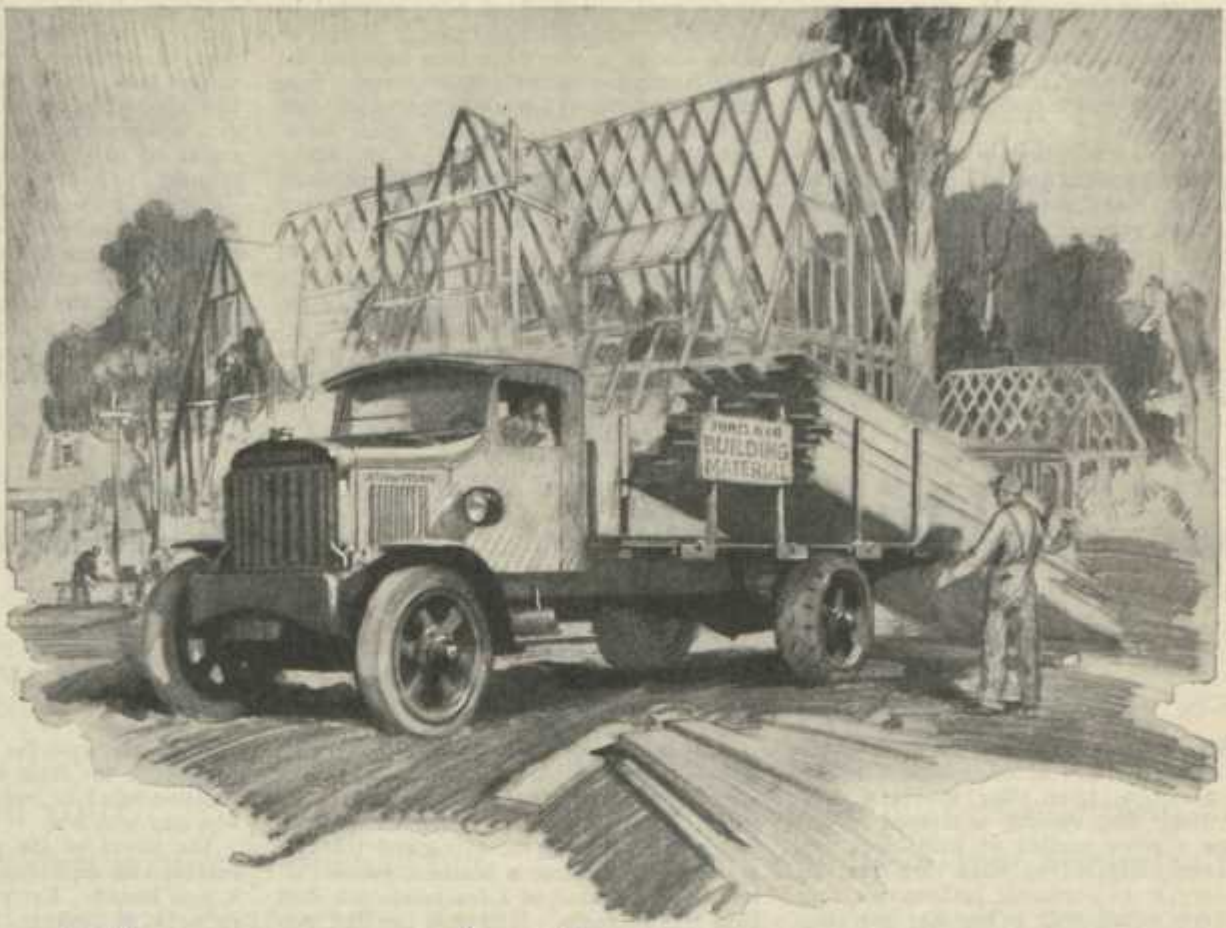
The big outstanding features in measured trade statistics are the returns of mail-order and chain-store sales. Sales of the two leaders in mail-order trade in February, gained 10.8 per cent over February, 1924, while chain-store sales increased 12 per cent, combined sales in February exceeding a year ago by 11.3 per cent. In January the gain in mail-order sales over January, 1924, was 14 per cent, in chain-store sales 19 per cent and in both combined 16.6 per cent.

In contrast with these latter was the decrease of six-tenths of 1 per cent in the aggregate sales of 605 department stores reported by the Federal Reserve Bank for January, and of 1 per cent for February, both as compared

Three great factories are devoted exclusively to the manufacture of International Motor Trucks. There are 105 direct company branches—the largest company-owned truck service organization in the World—location in the following cities:

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Bismarck, N. D.
Boston, Mass.
Buffalo, N. Y.
Cedar Falls, Iowa
Cedar Rapids, Iowa
Charlotte, N. C.
Chattanooga, Tenn.
Cheyenne, Wyo.
Chicago, Ill. (3)
Cincinnati, Ohio
Cleveland, Ohio
Columbia, S. C.
Columbus, Ohio
Council Bluffs, Iowa
Dallas, Tex.
Davenport, Iowa
Dayton, Ohio
Denver, Colo.
Des Moines, Iowa
Detroit, Mich.
Dubuque, Iowa
Duluth, Minn.
East St. Louis, Ill.
Eau Claire, Wis.
Elmira, N. Y.
El Paso, Tex.
Evansville, Ind.
Fargo, N. D.
Fort Dodge, Iowa
Fort Wayne, Ind.
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Grand Rapids, Mich.
Green Bay, Wis.
Harrisburg, Pa.
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Hutchinson, Kan.
Indianapolis, Ind.
Jackson, Mich.
Jacksonville, Fla.
Kankakee, Ill.
Kansas City, Mo.
Knoxville, Tenn.
Lincoln, Neb.
Little Rock, Ark.
Los Angeles, Calif.
Louisville, Ky.
Madison, Wis.
Mankato, Minn.
Mason City, Iowa
Memphis, Tenn.
Milwaukee, Wis.
Minneapolis, Minn.
Minot, N. D.
Nashville, Tenn.
Newark, N. J.
New Orleans, La.
New York, N. Y.
Ogdensburg, N. Y.
Oklahoma City, Okla.
Omaha, Neb.
Parkersburg, W. Va.
Parsons, Kan.
Peoria, Ill.
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Pittsburgh, Pa.
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Rochester, N. Y.
Rockford, Ill.
Saginaw, Mich.
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St. Joseph, Mo.
St. Louis, Mo.
Salina, Kan.
Salt Lake City, Utah
San Antonio, Tex.
San Francisco, Calif.
Sioux City, Iowa
Sioux Falls, S. D.
South Bend, Ind.
Spokane, Wash.
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Toledo, Ohio
Topeka, Kan.
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Wichita, Kan.
Winona, Minn.

In addition to these company branches more than 1500 dealers, in as many communities from one end of the country to the other, are ready to serve International owners.



The man who knows and the man who doesn't

IF YOU are an authority on motor trucks and have kept right up to the minute on the improvements in their construction, then the International Truck will appeal to you for a dozen very good reasons.

The removable cylinders, the life-guaranteed ball-bearing crankshaft, the steer-easy steering-gear, the auxiliary rear springs—these and many other International mechanical features will make it easy for you to understand why these trucks have earned their good reputation wherever trucks are known.

And if you know little or nothing about the mechanics of a motor truck it can be just as easy for you to understand the soundness of International construction when you realize that for twenty years International Trucks have been built out of an experience in manufacture and service that dates back almost a century. And you can make your truck purchase with just as much confidence as an expert.

International Heavy-Duty Trucks are built in chassis ranging from 3000 to 10,000 pounds maximum capacities. The Speed Truck is for loads up to 2000 pounds. Motor Coaches are supplied for every requirement. A list of company branches appears at the side. There are in addition 1500 dealers.

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with corresponding months of a year ago.

Several subjects of interest stirred the apparel trades as March opened. One was the prospect for Easter trade at retail, weather conditions this month naturally having a bearing on this.

Another was the prices to be fixed for women's dress woolens for fall. It will be recalled that men's wear worsted prices were fixed at 6½ per cent and woolens at 10 to 15 per cent. A fair business is said to have been booked at these prices.

Pending light on these developments the raw wool market has been quiet with some recessions claimed on what old supplies of domestic wool are available.

The trade in broad silks has remained relatively good, orders ahead being reported by the leading manufacturing centers. What forward buying of shoes has been reported has been largely for women's novelty wear. Jewelry manufacturing centers report trade dull.

Agriculturally things are still rather indefinite but a fairly good condition for winter wheat is indicated in the southwestern states of heavy production outside of Texas, where it still remains too dry for grain or cotton. North Pacific farmers have secured seed to plant large areas killed out last winter. In Montana a good area in spring wheat is expected to make up for whatever losses occurred in winter-sown grain. Present prices would seem to guarantee a large increase in spring wheat area in the old northwest.

Cotton planting conditions are nebulous because of dry weather in the southwest but sales of fertilizers have been heavy in the eastern belt. Farm stocks of wheat and corn are expected to be well below a year ago but oats will probably show up larger and visible stocks of oats early in this year broke all records.

Foreign trade tends to grow but the gain in exports has been, so far, mainly in cotton, grain and mineral oils (gasoline especially).

With the advent of real spring weather, the beginning of farm operations and the resumption of building, a taking up of the slack in employment and a livening up of distributive trade—the real laggard so far—is to be confidently expected.

Things to Tell Your Men

By GEORGE E. ROBERTS

Vice-President, National City Bank

XIII—Government Business Does Not Pay Its Own Way

THERE are people who look upon business as a sort of routine performance, doing the same thing over and over. They think that running a railroad is just moving a given number of trains back and forth every day. They think that operating a factory is an automatic performance; one feeds raw materials in at one end and takes out finished products at the other. They conceive of buying and selling as mere repetition—the seller is usually in a dominating position, and the buyer is helpless to do anything else than take goods which he must have on terms which the seller arbitrarily dictates.

These people would have industry and trade systematized and regulated from above. Their remedy for every economic problem is governmental ownership and operation.

Business Is Dynamic

OF COURSE we have seen that the facts upon which such reasoning is based are erroneous. Business is far from being mere repetition. It is a dynamic, changing, moving thing—developing all the time.

Let anyone go about this country, see the variety of industries, take account of the changes being made, the new ideas being introduced, the multitude of experiments being tried, and conceive of an effort to direct all of these activities from Washington. It can't be done. It isn't possible for the Government to do all the thinking and planning for the people. The Government will do well if it keeps out of the way.

To most men the government of a great country seems to embody so much power that illusions about what it can do are quite natural. A government, however, can be no wiser than the individuals who compose it. So, in the last analysis, a proposal that the government shall run a business, means that some one individual or a few individuals shall have that authority. Who shall say that they are qualified? The kind of ability that makes a man successful in political contests does not make him so when it comes to the management of business affairs. It often makes him quite the opposite. The very atmosphere in which government functionaries live is unfavorable to sound business decisions. The whole situation is colored o'er with the pale—or red—hue of politics. In an address before a leading bar association some time ago, former Secretary Hughes said of one of the embarrassments of his office:

> Those in charge of foreign affairs do not dare to undertake to negotiate agreements because they know that in the presence of attack inspired by political or partisan motives the necessary adjustment could not receive approval of the legislative branch and would evoke such a bitter controversy on both sides that matters would be made worse instead of better.

In short, every act of a political administration is viewed by its opponents, and will be considered by officials first of all as to how it will be likely to affect votes. Not what will be the economic effect but what will likely be the effect upon the next election is the first consideration.

In private business a manager's success depends solely upon the way he runs his business—upon the trade he secures and the satisfaction which he builds up among customers who stay with him.

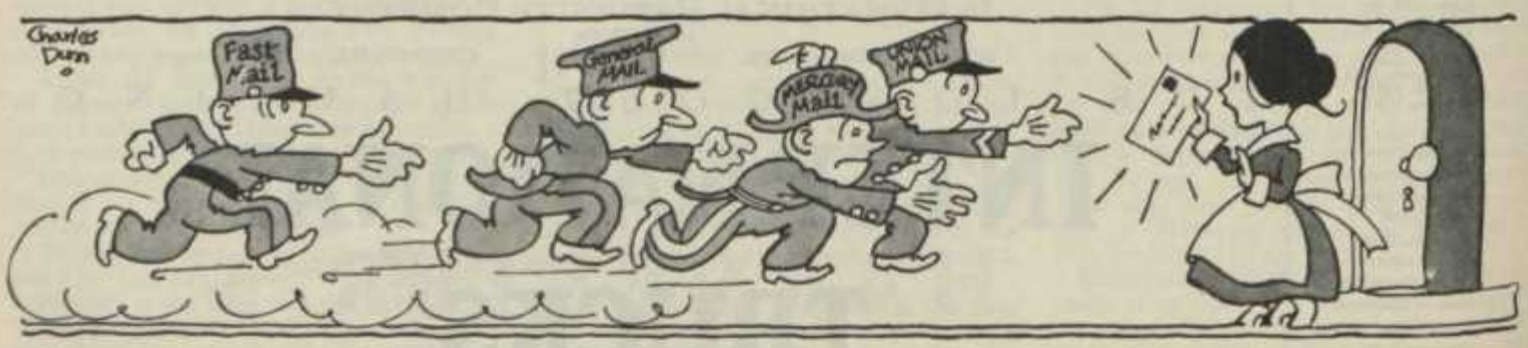
The power of the political demagogue to confuse and mislead great numbers of people is well known. Every time the Government embarks in business, his influence over the every-day lives of the people is widened. The great body of legislators and officials undoubtedly are honest and sincere men, but the conditions under which they must work are unfavorable to economical and progressive management of business affairs.

The postal service is pointed to repeatedly as evidence of the success which a government can make of a business undertaking.

Nobody Knows the Real Cost

THE POSTAL service has a great many faithful and capable men, but the management does not have to stand up under the test of competition as men in private business do. There is no fear on a particular postmaster's part, for example, that his office will go out of business if it is not managed successfully. The sheriff and the bankruptcy court do not mean to him what they mean to men engaged in private enterprise.

Nobody claims that the charges for postal service are scientifically adjusted to the work which is done. Some branches make money and others lose it, which means that one class of patrons pays for services that are rendered to others. Nobody knows what the postal service does cost. The Government reports don't show, for a large part of the expenses



The postal service is often pointed to as an example of successful government business. But the postoffice management does not have to stand up under the test of competition as men in private business do. And the patrons do not receive the benefits of competition

"I understand you haven't made out very well against the spring freshets," said the President of the Hercules Construction Company. "July first is the forfeit date. Are we going to get out from under?"

"No, we're not," said Smith, C. E., Cornell '15, firmly. "But I'm sure we are all right, J. J.," he insisted. "There was the usual line in the contract letting us out if we were held up by acts of God."

"Well, let's have the contract then," said the President. Then to his secretary, "Bring me that Pleasant Valley Dam contract, will you?"

The contract was quickly opened out. But the vital line had disappeared. The paper was cheap wood pulp. It had been consulted and refolded until the typewriting where the fold came had been obliterated. And in that line were the words that would save the Hercules Construction Company from paying a large forfeit. There was another copy, but that was in the offices of the Commissioner of Public Works. They didn't like to go to him for it.

"Well, at any rate," snorted the President in disgust, "the state isn't squandering any of the people's money on stationery. Smith, you catch a train down to the Capitol and see if you can get a look at this contract. Get an attested copy or photograph or something, and you might tell them that contracts for construction work ought to be drawn upon paper that will last the time it takes to do the job."

Crane's Bond safeguards billions of bonds and stocks for nations as well as corporations. It accords the same protection to letterheads or contract forms, and gives them the dignity and emphasis which important transactions deserve.



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are paid from outside the postal appropriations. There is no charge to the postal service for the use of the Government buildings in which post offices are located. The cost of fuel, lights and janitor service are not charged in postal expenses. Government business does not have to pay its own way.

The Government navy yards, arsenals, gun works, printing offices and mints are none of them model industrial establishments, and this is not the fault of the officials but is a part of the conditions under which they must be operated. None of them could make their expenses in competition with privately owned rivals. Modern machinery has been deliberately kept out of Government establishments by act of Congress, so that more people could be kept on the payrolls.

The separation of the executive and lawmaking functions of the Government also stands in the way of effective business management. A business owned by the Government has two bosses—Congress, and the particular executive branch in charge.

There is division of opinion and authority that is fatal to results. The fact that administrations change frequently is another serious difficulty.

This is no argument against government supervision and regulation in the limited number of cases where competition is impracticable, or in cases of great emergency. Undoubtedly as society becomes more complex it is necessary to resort more and more to regulative bodies and agencies. All the more reason, therefore, why these should be cautiously developed.

Interference Confuses the More

THE CLAMOR for official regulation of business arises primarily because men do not understand the natural economic forces we have been considering in this series of articles. There are few lines of business in which these forces will not protect the public. In normal times it seldom happens that unusual profits are made, for example, but that competition quickly arises and corrects the situation. When governments interfere they often confuse the situation still more, and get in the way of forces that would correct the very condition about which they are so greatly disturbed.

The modern business organization, as we have previously observed, is a highly developed system of voluntary cooperation. We have all become specialists—exchanging goods and services with one another. The system is kept in balance by the free movement of prices. The workers are distributed in the industries, and production is directed automatically by the natural movement of prices.

If the production of any commodity is in excess of demand, the price naturally falls and industry shifts to other lines of effort. This regulation is more accurate and effective than any governmental regulation possibly could be. If government officials were all wise, the best they could do would be to adapt production to demand—and that is what the free play of prices actually does.

The whole argument for widespread governmental ownership and regulation is based upon the theory that all wealth employed in industry benefits nobody but the owners. It assumes that all of the increasing supply of goods and services resulting from the investment of private capital is absorbed and consumed by the capitalists.

This is like claiming that the people who benefit most from the development of the steam engine are owners of steam engines; that the people who gain most from the railroads are those having investments in the railroads. Of course this theory needs only to be stated for its fallacy to become apparent. The man who works for wages and spends them as fast as he receives them is benefited by every investment in capital which increases and cheapens the supply of the things for which his wages are spent.

It is a fundamental truth that all of the productive property of the country, although privately owned, is part of the equipment of society, by which its wants are supplied. It is doing the same work that it would do if it were owned by the state, and is probably doing it more effectively.

No Surplus—No Progress

THE PEOPLE who advocate government ownership of the railroads and other industries usually have in mind that the public will thereby avoid having to pay profits to the owners. They overlook the fact that if there were no surplus earnings—nothing left over after paying expenses—there would be no capital for the improvement and enlargement of these services, and no industrial progress.

If we had a socialist regime, with all the industries owned by the Government, all this equipment would have to be provided by reserving capital from distribution, just as now.

Mr. Ogden Armour, a few years ago made the statement before a committee of Congress, that approximately 88 per cent of all the profits of the Armour business from its beginning had been left in the business for the purpose of developing it. If the Government had owned the business all of that capital would have had to be supplied before Armour and Company could have rendered to the community the services that have been given. Nobody can tell a better way to have supplied that capital than by a charge made upon the services that were rendered.

The real measure of the distribution of the proceeds of industry is not by ownership or income but by consumption. That portion of an individual's income which is turned back into productive employment is devoted to a public purpose, just as though it were employed for that purpose by the Government. It is only what a man consumes that is devoted to himself, or withdrawn from the common supply.

Our economic progress in the past has been accomplished under an individualistic system. The theory of this system is that everyone shall have for his own, as nearly as may be, that which results from his own efforts. The merit in this is an inducement that appeals to every person. It inspires him to labor, to produce and to accumulate, by rendering those services to the community which the community is willing to pay for.

It is a system calculated to stimulate the initiative, call out the energies, and develop the ability of each individual. He is free as to what he shall undertake. There are no restrictions except that he must seek his own gains by doing things which help the community. He is inspired to labor not merely to benefit himself alone, but to provide for loved ones, to permit himself an opportunity for self-expression, to realize and develop his natural abilities, and by an ambition to achieve, to win distinction and to render service.

In short, the system of individual freedom, and of reward according to achievement, makes use of every possible motive to stimulate individual effort and develop individual capacity. It does not promise equality. Unless there is equality in production, in service, in effort, in resolution, and in self-denial, why should there be equality in the division of results?

The justification of individualism, however, is not merely in what it allows to the superior individual, but in the results that inure to all. It is in the interest of all to secure the most effective organization, the most effective management, and the largest possible production. These cannot be had by adopting the fiction that all have equal ability for any position, or by any other system than that which judges men by their individual qualifications.

Men Who Carry Society Forward

IN THE business world today the positions of leadership and responsibility are held by men who have been advanced to them under a system of competition and elimination. The test of fitness is an economic test, a test of ability to produce economic results. The fact that as a rule the men in positions of responsibility have come up from the ranks is proof that the system is fundamentally sound and effective.

Society cannot afford to change from the economic test of leadership to an arbitrary or political system of selection. There would be a lessening of incentive throughout the economic organization, a loss of ability in management, and a loss of productivity everywhere. These results are quickly seen in any organization where favoritism governs promotion.

At what stage in the careers of Thomas A. Edison, Andrew Carnegie or Henry Ford would it have been to the advantage of the public to have had the Government step in and say that henceforth all surplus income shall be turned over to the public treasury and disbursed by officials at Washington?

Men of this type are the men who carry society forward. They are the men who must provide a growing population with the needs of an advancing standard of existence. To take out of the hands of the leaders of industry the tools with which to work is to hamper society and to put it back, rather than to carry it still farther forward.



This is the postmaster as he would look if a large part of the postal expenses were not paid from outside the postal appropriations—if there were rent charges for the use of government buildings—if the cost of fuel, lights and janitor service were charged in postal expenses—if—

This is the last of Mr. Roberts's series of articles on homespun economics.—The Editor.

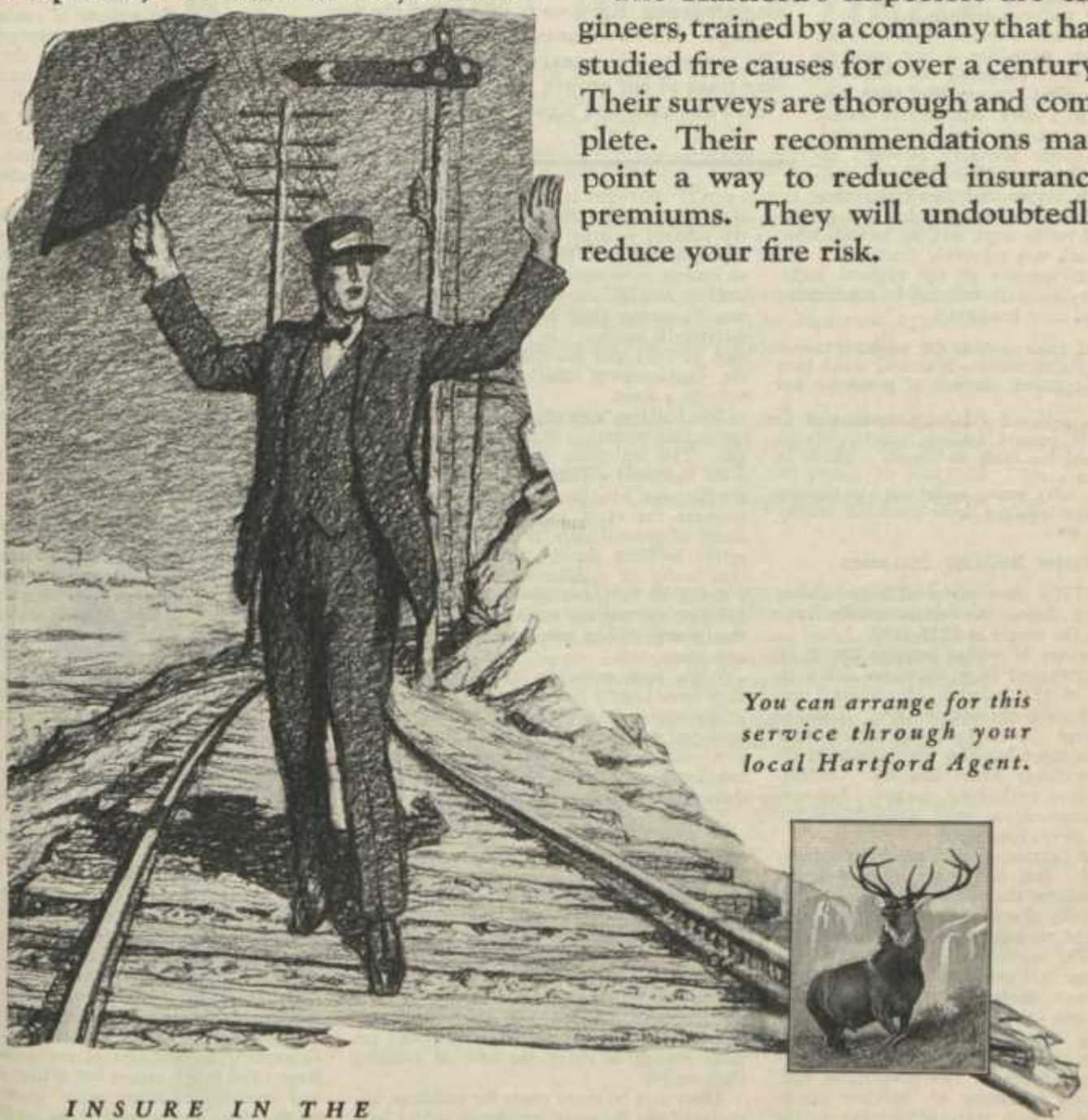
The railroads never assume that their semaphores and block signals will always operate. When a train is stopped a flagman is sent back.

Your plant may be equipped with every necessary fire safety device. It may be regularly inspected. Your fire rules may be adequate.

But unless you recognize that inspection may become routine, that consequently, safety devices may fail to operate, and that men may become unconsciously careless, your property is in danger.

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Construction Has Not Been Asleep

By TRUMAN S. MORGAN

President, F. W. Dodge Corporation

STOP OFF the train at Any Town and ask the banker or the butcher:

"How are things going here?"

Nine times out of ten he'll answer:

"Say, did you see the new high school? And they've put up 70 new houses in the last six months."

Construction is the outward and visible sign of progress in which the community delights.

Let's take a nation-wide view of our building program. Have we caught up on the war slump? Here's an answer from the head of the company which makes a business of keeping track of our growth in terms of brick and wood and steel and stone.—The Editor.

ONE OF the most important and valuable developments of business since the war has been the study of prosperity and depression periods.

Notable work in this line was accomplished by the President's Conference on Unemployment and some of its subcommittees. Two reports were published: "Business Cycles and Unemployment," and "Seasonal Operation in the Construction Industries." These reports pointed out two important conclusions:

First, construction is the balance wheel of American industry and the minimizing of fluctuations in building volume may do much toward eliminating extremes of business depression and prosperity. Second, seasonal idleness in the construction industries is due more to custom than to climate.

These reports have received wide publicity. To a very considerable extent the recommendations have been followed. For one thing, Secretary Hoover's influence and urgent admonitions to public officials responsible for letting construction contracts have resulted in a spreading out of public work into the periods when private work was relatively inactive.

The achievements of the national building industry since the war may be summarized under three main headings:

1. It has made considerable progress toward stabilizing the fluctuations in activity which have in the past caused extremes of prosperity and depression.
2. It has achieved a wider recognition of its influence in general business activity of the country, and has made its records available to the business world.
3. It has very nearly wiped out the building shortage that resulted from restricted activity during the war.

Winter Building Increases

STATISTICS show waves of high building activity during the winter months each year since the winter of 1921–1922.

These waves of winter building cannot be entirely attributed to a conscious desire on the part of the industry to stabilize construction volume through the year. Demand was insistent. Several of the winters were mild. But there has also been organized effort to encourage winter building. Contractors who have worked out methods of severe-weather construction have given others the benefit of their experiences.

Seasonal fluctuations will never be entirely eliminated. But the experience of heavy building volume through four successive winters has really altered the previous conception of what the normal seasonal variation ought to be. The stabilizing of building volume through the year tends to eliminate seasonal unemployment in the industry and to stabilize building costs to the public.

Building is usually among the earliest activities to revive after a period of business depression, economists and statisticians find. Consequently statistics of building operations have been a real contribution to the world of general business. The trend of building volume generally anticipates the movements of other businesses and of business activity as a whole. While the building industry suffered a lapse in the general business depression of 1920-1921, its decline was not so serious as in most other lines of business activity, and the demand for new construction was so strong that it was the first major activity to recover. It revived in the latter part of 1921 and has continued right up to the beginning of the present year, with scarcely a wane.

The building shortage resulting from war-time curtailment has been very nearly wiped out. This statement may be challenged by some observers. Those who would challenge are the ones who have believed it possible to estimate the exact annual building requirements of pre-war days, deduct the amount of actual building during the lean years, and thus arrive at a definite figure representing a deficit to be made up—this in addition to fulfilling the normal requirements of population growth and of commercial and industrial expansion.

While such estimates have been helpful, they have largely failed to take into account an important fact: The past six years have been just as much a period of adjustment to new cost and rent levels and new housing conditions as a period of building to meet a deficiency.

Actual Demand Depends on Purse

ALTHOUGH there has been a good deal of overcrowding in many congested centers, there has never been a time when large numbers of people were without shelter. Nor has there been a time when business and industrial enterprises could not operate merely for lack of adequate space. The actual demand for building depends, not on the number of people who desire larger and better buildings, but on the number whose pocketbooks are large enough to cover the cost of fulfilling their desires.

There may be many needs for buildings, important from the social standpoint, which have not reached the stage of actual demand, the important consideration on the economic side.

During the past six years total building operations in the country have averaged somewhere from $4,000,000,000 to $4,500,000,000 a year. An estimate aiming to include all the small residential work and alteration work unrecorded in the most comprehensive statistics of building operations would favor the higher figure of $4,500,000,000.

Last year the F. W. Dodge Corporation reported building contracts awarded in the 36 eastern states (which include about seven-eighths of the total construction volume of the country) to the total amount of $4,481,807,000. This was an increase of $500,000,000 over the year 1923.

Last year the amount of contemplated new work reported (pre-contract stage) decreased $800,000,000 from the amount reported in 1923. Thus, 1924 came much nearer to meeting the current demand for buildings than the previous year did.

In 1924 the volume of contemplated new work exceeded the volume of contracts awarded by 48 per cent. The normal excess is 50 per cent. Most of the time during the past six years the excess of planned work has been nearly 100 per cent, and for a part of the time it was more than 100 per cent. Last year was the first year since the war in which there was a normal proportion of actual work to planned work.

The above statement may be taken as applying to building operations as a whole all over the country. In certain regions the records of planned work indicate that there was a certain building deficit carried over into this year. These regions are: The Middle Atlantic States, the Southeastern States, the Central West, the Northwest (Minnesota and the Dakotas) and Texas.

Much Work Being Planned

THERE appears to be also a large volume of planned work deferred in the public works and the utilities class that should go ahead, and has, in fact, already started in increasing volume. On the basis of the records of planned work reported, the only other class of building operation that shows a large volume of deferred work is the miscellaneous group that includes hospitals, institutions, churches, theaters and social service projects.

Confirmation of the above statements is found in the recent report of the National Association of Real Estate Records. This association's latest survey shows that not only fewer cities now report building deficiencies than a year ago, but that the deficiencies reported are considerably smaller.

It is quite true that the building revival of the past three years has been mainly in the large industrial and commercial centers, and that the smaller cities and towns and the rural districts have lagged behind.

Better times in the agricultural industry will bring about an increased demand for building in the country and the small towns. However, the movement of population to the large cities is not recent but a part of a general tendency of many years' growth. The smaller cities and towns and the rural districts are scarcely due for building booms as big proportionally as the recent city booms have been.



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You Die, Who Gets Your Money?

By EDWARD A. WOODS

President, the Edward A. Woods Co.



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IT IS possible for man so to leave his money that his entire estate might be swallowed up by inheritance taxes. This may never have happened, but we do approach it.

A striking case is that of Charles H. Morse, of Chicago. He left an estate valued at more than $20,000,000, most of it to a daughter, about $3,000,000 to one son, and $2,000,000 to another. The will contained a proviso that the sons should pay from their shares the inheritance taxes on the entire estate. The taxes were $1,500,000 more than the sons' combined shares.

It is the multiplicity and the conflict of state laws that bring about such conditions. Oklahoma, for instance, levies a tax of a fraction of a per cent for each $100 in an estate. If the estate were large enough, the state's total tax would be 100 per cent; and if a decedent died in New York State, the estate might have a 25 per cent tax in addition. And all this exclusive of federal taxes or transfer taxes by other states.

A hypothetical case was recently given by Professor Belknap, of the University of Louisville, in which under certain circumstances possible, but, we hope, not probable, the total taxes could be 294 per cent of the estate.

Taxed 104 Per Cent

HE POINTS out that an estate of over $10,000,000, owned by an American living and dying in Manila, would be taxed at the top rate of 104 per cent; if the estate were partly in corporation securities of Wisconsin, the rate would go to 144 per cent; if this corporation were incorporated in West Virginia, to 179 per cent; if the certificate were in a safety vault of a bank in Seattle, Washington, to 219 per cent; if the transfer of the stock were made in Denver, Colorado, to 235 per cent; if the corporation had also been incorporated in Idaho, to 250 per cent; if Oregon and Illinois held their states to be states of domicile, to 294 per cent—and, as he says, "All this without leaving the Stars and Stripes!"

A pertinent case of this multiplying of taxes was shown in the estate of the late H. C. Frick. It paid taxes on certain railroad stock to the Federal Government, to the State of Pennsylvania, as Mr. Frick's state of residence, to the State of Kansas, where the road was chartered, and to Oklahoma, on the proportion of the road that ran through that state.

Another possible case might be that of the estate of a man whose residence had been in Pennsylvania, who owned stock in a New York corporation, and who had pledged that stock in a Colorado bank. After his death there would be taxes to Pennsylvania, as the state of residence, to New York as the home state of the corporation, and to Colorado, where the certificate was on deposit. In addition there would be the Federal inheritance tax.

I have referred to the estate of Henry C. Frick. The figures of its taxation are striking:

Federal tax	$6,638,898.68
Pennsylvania state inheritance tax	3,167,197.87
Other inheritance taxes	1,546,565.49
	$11,352,662.04

It is difficult in writing and thinking about inheritance taxes to avoid confusing two things: the general topic of the righteousness or unrighteousness of inheritance taxes and the limits which should be put upon them, and the confusion and injustice that may result from the multiplication and conflict of taxes by the Federal Government and the various states.

How these taxes may be piled up is shown by this summary of a statement by a group of state commissioners who met recently in Harrisburg, Pa.

How They May Pile Up

1. The state in which a man resides may impose a tax upon the property of which he was possessed at the time of death, except real property located outside of the state.

2. If a portion of the estate is in real or tangible personal property located in a different state, such other state may tax such property.

3. (*a*) If the estate includes stock and bonds of a corporation incorporated under the laws of another state, this second state may also exact a tax; if such corporation holds property located in other states, such other states may also exact a tax.

(*b*) If a corporation has an office for the registry and transfer of its stock in a different state from that where its charter was obtained, or in which its property is located, or in which the decedent had his legal residence, this fourth state may also tax the value of its shares.

(*c*) If the securities are kept in a place of safe deposit in a still different state, this state may also impose a tax upon their value.

4. If the lines of a railroad company extend through different states, each of the states in which it operates may levy a death tax upon the shares of that company.

5. In addition, the Federal Government collects death taxes if the value of the estate exceeds $50,000.

Confusion Is Easy

THESE opportunities for confusion and for inequalities in taxation are plain. They can be avoided only by the states themselves, and uniformity of action by the states themselves is hard to obtain. At the time that we have Florida by amendment to its Constitution banning inheritance taxes forever, other states have been considering increases in these levies.

One proposal is that the Federal Government, which imposed inheritance taxes as a war measure, should now withdraw from the field, leaving the collection of such duties entirely to the state, and that the state should be urged to repeal all taxes on personal property of non-resident decedents.

When we come to consider the case for and against the principle of the inheritance tax, we find one frequent argument that I believe is overstressed. Many men feel that such taxes tend to check the piling up of vast fortunes passed on from generation to generation and growing without effort on the part of the successful holders.

I believe that the estates of those who have inherited wealth are, on the whole, compara-

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To Shoe Manufacturers and Retailers and Users

IN the May number of NATION'S BUSINESS you will find the story of a pair of shoes dramatized. Only the form and the plot are fiction—the figures are authentic as of February, 1925. They are taken from Government statistics and from the records of firms which make and sell shoes. The story tells what goes into a pair of shoes to make it cost, for instance, $9.50. It will interest everybody in the shoe business, and that means *everybody*. All of us either make, sell or wear shoes, and some of us do all three!

tively small in number. There are, of course, notable exceptions which we are too prone to overemphasize—the estates of the Vanderbilts, Astors, DuPonts, Morgans. But, taking the country as a whole, most people who leave money have made it themselves, and, on the contrary, most people who inherit money spend it and consequently leave very little of this inherited wealth or still less accumulated wealth.

It is a true saying that it is but three generations from shirt sleeves to shirt sleeves. It is also said that out of 1,000 wealthy persons selected for the purpose of study, only 11 were the sons of successful men; but 300 were the sons of farmers, and the balance were the sons of country preachers, doctors and lawyers. Inherited wealth disappears without any government assistance! But it does seem reasonable that inherited wealth should be more heavily taxed than money that one has made and saved by his own efforts and during his own lifetime.

It is true, as I have said, that inheritance taxes may fall heavily on estates of modest size. The $1,500 that a widow who inherits $100,000 must pay to the Federal Government might mean more to her than the $2,500,000 paid by another who falls heir to $10,000,000.

The shrinkage of estates, both large and small, is a matter which deserves serious thought.

Tax Often Means Sacrifice

AN AUDIT of estates of more than $100,000 in six cities—New York, Philadelphia, Chicago, Pittsburgh, Cleveland and St. Louis—showed that out of these estates 11.1 per cent was taken for federal taxes, 3 per cent for state inheritance taxes and 2.1 per cent for other taxes. And these estates were administered before the present Inheritance Tax Bill was passed.

The total estates left in 1921 in the United States amounted to $2,879,372,168, and the total expense of administering these estates was $557,825,958—a loss of nearly 20 per cent. And this reduction is larger on very small than on very large estates, although the causes differ. Taxes eat more heavily into large properties, while funeral expenses and other debts cut most into the small estates.

A factor that must be reckoned with is the drain which must be made on the cash and quick-selling assets of the estate in order to meet the inheritance taxes. Rarely do men leave enough cash to pay their debts and their death taxes, and the demand for prompt payment especially of taxes often forces a sacrifice of securities at a loss and may even make a solvent estate insolvent.

Shall We Penalize Diligence?

I HAVE referred to the Frick estate already, but it will serve again to illustrate a point. When Mr. Frick died, it was thought that the bequests left to various charities by his will would be worth about $500,000 a share. It is now some five years after his death, and it is estimated that these shares are worth only about $200,000 each, and none of them has been paid. But the federal and state inheritance taxes have.

Is there not danger of "killing the goose that lays the golden egg?" Shall the reward of industry and thrift to the thousands of people who have built up the industries and commerce of this country be that the country will not only take vast portions of income from them while living but penalize them after they are dead? Will these tax obligations not lessen the incentive to industry?

The time is past when most men of wealth are misers; the Rockefellers and Carnegies

endow great foundations and institutions to promote the welfare of humanity. If the incomes of these people are taxed unduly while living and their ability to make money is greatly hampered, how long will this class continue industriously to back business enterprise, to contribute to charitable, educational and scientific institutions while living or bequeath money to them at death? How long would the charitable bequests continue to be anything like the $195,891,684 left in 1921?

I have not undertaken here to make final answer to the questions I have raised. I have only sought to point out to the business men how important these questions are. Not many of us like to contemplate dying, but more of us ought to know what is going to happen after we die.

Two Opposing Views of Inheritance Tax

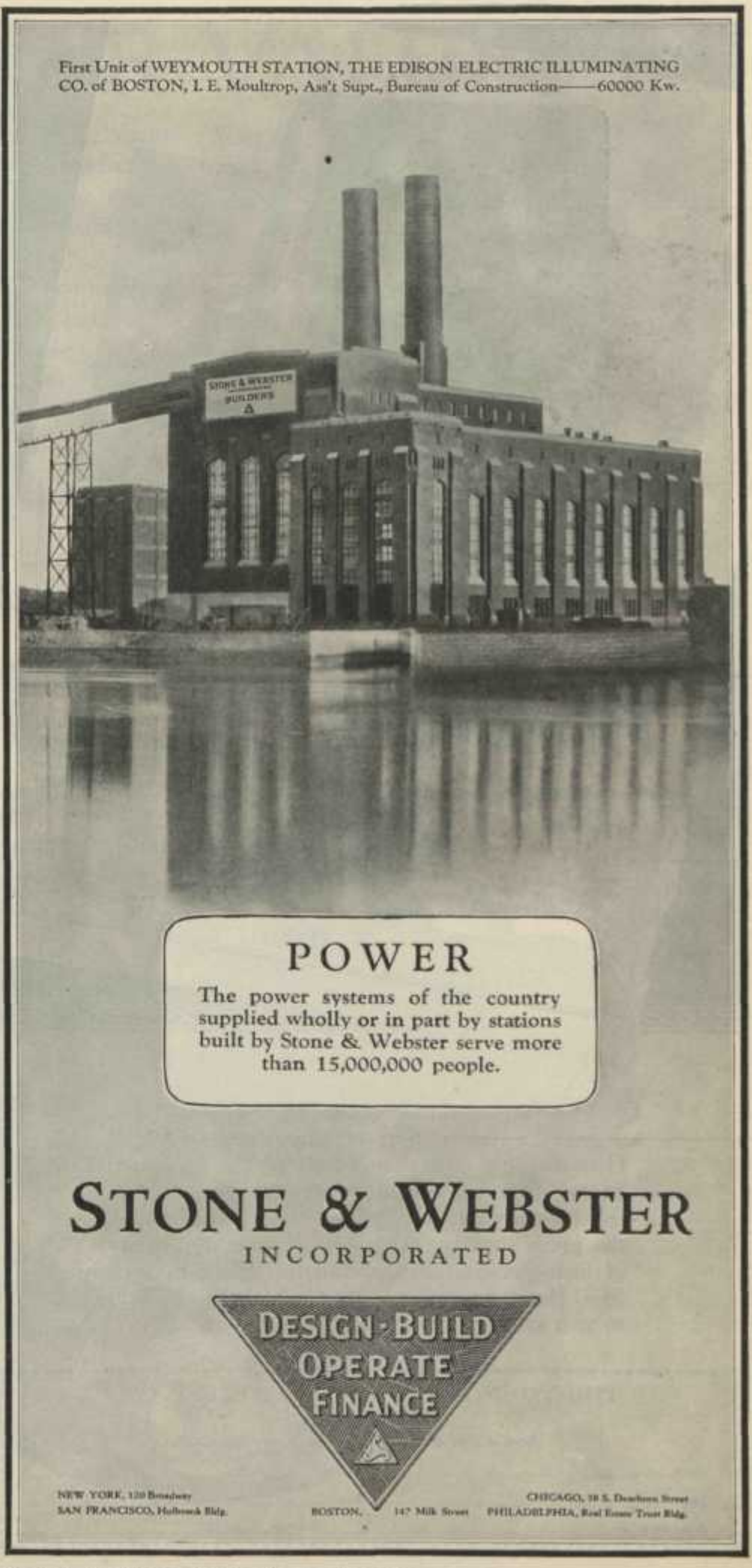
Beyond the question of the inheritance tax as it affects you and the money you leave to your widow and children there is a nation-wide question of its wisdom, not merely as a means of raising revenue, but of its social and economic effects. How widely it is possible for two men in high place to disagree on this latter question was shown at a recent tax gathering at Washington, which was addressed by the President and by the Chairman of the Committee on Ways and Means. Here are two extracts:

I WISH to say most emphatically that we should not banish social purposes and principles in considering taxation. I supposed that had been settled long ago, through the establishment of our common schools, by a system of general taxation under which no benefit was derived to a large portion of the people that were taxed for that purpose, except the social uplift of the whole community and the general tendency thereby to the preservation of law, order and our Constitution.

.

The estate tax or inheritance tax, whichever it may be called, is one of the superior, or perhaps I should say one of the preferable, forms of taxation. It cannot be said that it operates in any degree to discourage business enterprise, efficiency or initiative. It is not complicated or involved and as a rule it falls upon persons who have done little or nothing to create the wealth which they have inherited and who can well afford to pay.—WM. R. GREEN.

I DO NOT believe that the Government should seek social legislation in the guise of taxation. We should approach the questions directly, where the arguments for and against the proposed legislation may be clearly presented and universally understood. If we are to adopt socialism, it should be presented to the people of the country as socialism, and not under the guise of a law to collect revenue. The people are quite able to determine for themselves the desirability of a particular public policy and do not ask to have such policies forced upon them by indirection. Personally, I do not feel that large fortunes properly managed are necessarily a menace to our institutions and therefore ought to be destroyed. On the contrary, they have been and can be of great value for our development. I, therefore, shall not consider inheritance and estate taxes as a social effort, but as a revenue measure.—CALVIN COOLIDGE.





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Postal Referendum

THE RESULT of a nation-wide referendum on postal legislation, announced by the Chamber of Commerce of the United States, reflects the opposition by the business interests included in the Chamber's membership to a flat increase of postal salaries. The referendum was taken before President Coolidge signed the so-called Kelly postal salary and rate bill (H. R. 11444). The results of the referendum stand, however, as a definition of the Chamber's position.

The vote was overwhelmingly in support of an adequate increase in postal salaries wherever justified, but against a flat general increase, applicable throughout the country, for all classes of postal employes. The Chamber holds that such increases as those of which its members have approved could be made without material alteration in the postal budget and without necessitating any increases in postal rates.

Four recommendations relating to the postal service were submitted in the referendum:

(1) That the Post Office should be brought up to a high state of efficiency and that the attainment of efficiency should be the first consideration in the financial program of the postal service. (Adopted by a vote of 2,123 to 47.) (2) That any revision of postage rates should be based upon a scientific determination in which efficiency is the first consideration, and that consideration should be given—in addition to cost of operation—to the portion of fixed charges that should be met otherwise than through rates. (Adopted by a vote of 2,070 to 66.) (3) That the postal salaries should be readjusted by proper classification on a differential scale rather than on a uniform nation-wide basis. (Adopted by a vote of 1,977 to 151.) (4) That an adequate emergency fund should be made available to the Postmaster General to use in increasing salaries in communities where the Civil Service Commission certifies eligibles cannot otherwise be obtained. (Adopted by a vote of 1,770 to 371.)

Announcing the results of the referendum, the National Chamber said in part:

"These votes overwhelmingly support the principle for which the Chamber has constantly stood during the period of discussion of the Postal Salaries bill—that is, adequate increase in postal salaries wherever justified, but not elsewhere. The evidence shows that flat nation-wide increases are unnecessary and that there is no justification for increases throughout all classes of postal employes. The facts confine justification for increases almost exclusively to clerks and carriers, and as to them only in a relatively few localities.

"The results of the referendum also support the view that any postage rate changes should be based on a thorough and scientific determination and oppose such a temporary rate readjustment as appears in the pending bill, the inevitable effect of which would be to upset, with consequent distress and unemployment, branches of business rendering services to the public which are peculiarly dependent upon postal service and rates.

"A review of the reports of the Civil Service Commission shows clearly that the only urgent needs for increases in salaries in the postal service are for clerks and carriers in cities having the largest postal revenues, that is, annual revenues of $8,000,000 or upwards. The system of substitute service accounts for some of the difficulties in these localities, but, over and beyond that, employment conditions are unsatisfactory in most of these ten cities. There are approximately 40,000 postal clerks."

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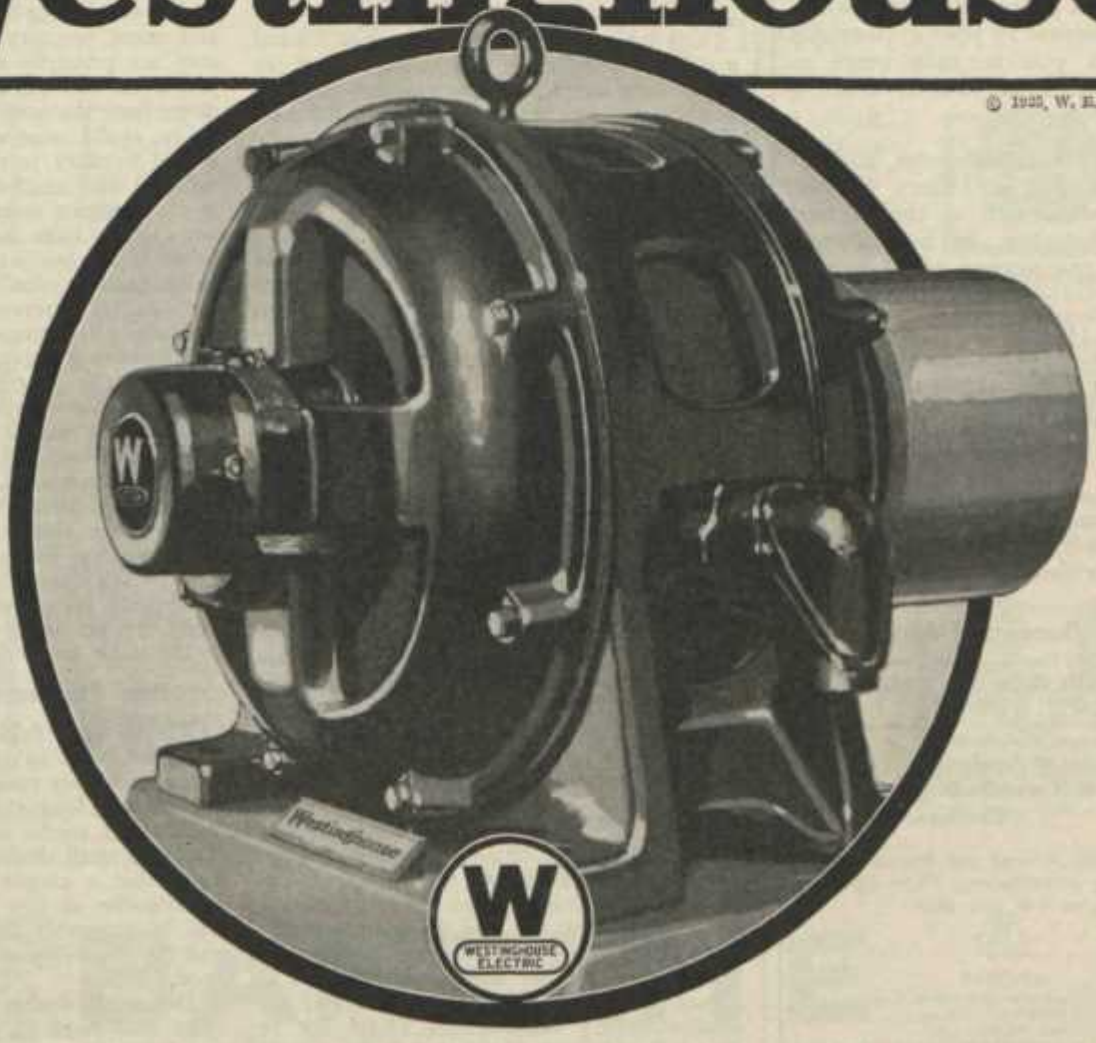


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Buyer Comes to Seller

Why New York Goes to Grand Rapids to Buy Its Furniture

By R. R. RAU



R. R. Rau

TWICE a year for twenty-two years a special train of Pullmans has left New York City, westward bound, with furniture buyers. Yet this train carries less than one-third the total number who in January and June visit the two biggest furniture markets in the world — Chicago and Grand Rapids, Mich. June 19 to July 15, there were registered in Grand Rapids from New York 175 men who came to look over the five hundred lines on display.

Why is it necessary for New York buyers to journey westward nearly a thousand miles to look over wholesale stocks? Aren't there wholesale exhibits in New York, as there are in scores of other lines? Furthermore, why hold these furniture "markets" at all?

The last question can be answered in a few words. Because of its bulk, road salesmen cannot carry actual samples of their merchandise. On personal calls to the stores, salesmen have to rely on photographs and a dozen or two samples of upholstery.

This is a most unsatisfactory way to sell and a still less satisfactory way to buy. So if the retail store buyer wants to examine carefully construction and finish and design of the merchandise he's buying, and if he wants to make comparisons of one line with another, he must go to the centers in which goods are shown.

Photographs Do Not Sell Chairs

THAT'S the reason why the buyer goes to the seller. He goes to Grand Rapids and to Chicago because about 20,000 of the 32,000 furniture dealers in the United States are within 500 miles of Grand Rapids, and 18,000 furniture dealers are within the same radius of Chicago. More than sixty-five per cent of the annual output of furniture in the United States is produced within a five-hundred-mile radius of Chicago.

New York produces, according to many in the industry who ought to know, the finest furniture made in the United States, but it is not turned out on a quantity basis. A great deal of New York's output calls for a lot of hand cabinet work, and much of it is produced *in one of a kind*. New York State ranks first in the monetary volume of furniture produced; Michigan second. But when it comes to the consideration of furniture production on a quantity basis, Michigan ranks first, and Grand Rapids is the furniture capital of America.

New York City does have furniture markets twice a year, in April and November, in the large furniture Exchange and Furniture Exchange Annex buildings on Seventh Avenue. But these markets are held "between seasons." That is, they are held at approximately the times when dealers are considering fill-in orders. It is also true that hundreds of the smaller dealers who do not travel out to Grand Rapids and Chicago visit New York at these times, but the New York market draws mainly from the metropolitan trading area.

There are other points in which distribution of furniture is peculiar. Consider the place of the jobber and wholesaler.

A "Directory of Wholesale Distributors of Furniture in the United States," issued by the National Wholesale Furniture Association, lists less than a hundred wholesalers or jobbers. Of this number it is possible to ascertain readily the size and standing of eighty-one firms. The entire eighty-one have an average estimated rating of $322,000. Only nine are listed in the million-dollar class, and only six in the five-hundred-thousand-to-one-million-dollar-class.

It is quite safe to say that eight of these wholesalers do more annual business than all the other real wholesalers combined. The wholesale association admits the directory is incomplete, but it is safe to assume that practically all of the worth-while firms are included.

The "Open Showroom"

THERE are scores of so-called "wholesalers" in the industry, but only those in the group referred to above actually warehouse furniture. The others maintain show-rooms for dealers only or for dealers and their customers, and cover territory as regular jobbers, but they act primarily as manufacturers' agents, just as do road salesmen. Goods are shipped direct from the manufacturers to the retailers.

One of the most widely discussed problems in the industry is that of the "open showroom." The small dealer in large cities and in the outlying communities, naturally, cannot carry a large stock. But he is eager if he is at all business-like and ambitious, to make greater sales. For his benefit, therefore, and as a service to him, some jobbers conduct well-arranged show-rooms in which merchandise is displayed far more attractively than on the average small dealer's floors. When a dealer sees he has not in stock what his customer wants, he sends her to the jobber's show-room. All her dealings, however, are with the retailer.

The big dealers object and try continually to overcome this competition. They assert that no dealer has a claim to more business than he can rightfully obtain through his own advertising, merchandising and display efforts. They say his sales should be in proportion to the stock *he* carries.

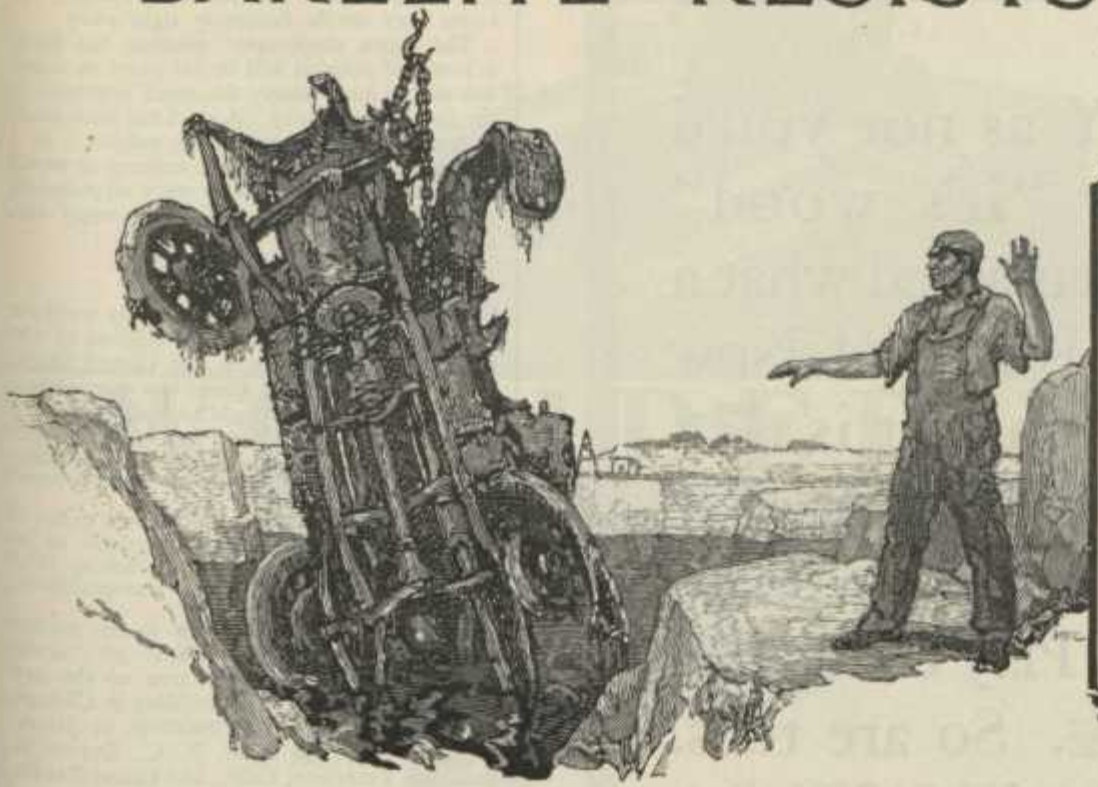
New Furniture a Family Event

THESE larger dealers know that buying furniture is not an ordinary event in the life of a family. They realize that prospective customers look long and far, comparing values. With larger stocks and more varied displays than the small dealers carry the big dealers know that a couple who have looked over merchandise in two or three smaller stores will be favorably impressed in their stores, and the possibility of making a sale is indeed good.

The small dealer, however, who has the open show-room of the jobber at his command, has practically an even chance to land the business. The word "wholesale" has a

BAKELITE RESISTS WATER

plus -



- ¶ heat resistance
- ¶ electrical resistance
- ¶ strength
- ¶ permanent finish and color
- ¶ light weight
- ¶ hardness
- ¶ resistance to acid
- ¶ resistance to chemicals
- ¶ resistance to warping

Under water for six months —and still all right



Shaving Brush —transparent Bakelite handle
LEOPOLD ARCHER CO.



Pump valves of molded Bakelite



Kelvinator automatic control switch of molded Bakelite
KELVINATOR CO.

FOR SIX MONTHS an automobile lay submerged in fifteen feet of water in an abandoned quarry.

Salvaged—its starter and generator, untouched, functioned perfectly in another car.

Bakelite, known chemically as phenol resin, was the insulating material used by the manufacturer of this starter and generator.

This is just a single example of one property—resistance to water—possessed by this remarkable material.

But the astonishing thing about Bakelite is this—only in Bakelite can you find water resistance combined with *all* the other properties listed at the top of this page.

Each of the properties in the list above is an individual reason why Bakelite has been adopted by thousands of manufacturers in hundreds of industries for innumerable uses.

. . . .

"THE STORY OF BAKELITE," by John Kimberly Mumford, is a fascinating and educational story about the discovery and development of Bakelite. Write for a copy.

To cooperate with any manufacturer in determining whether Bakelite can assist him in his own production problems—that is the reason for our Engineering Department. May we place it at your disposal?



Fishing Reel parts of molded Bakelite
OCEAN CITY MFG. CO



"Little Jove" water heater of molded Bakelite
JOVE MFG. CO.



Evinrude Motor Ignition Insulation of molded Bakelite
EVINRUDE MOTOR CO.

BAKELITE CORPORATION

241 Park Avenue, New York 636 West 22d St., Chicago

Bakelite is an exclusive trade mark and can be used only on products made from materials manufactured by the Bakelite Corporation. It is the only material which may bear this famous mark of excellence.

BAKELITE

THE MATERIAL OF A THOUSAND USES

BAKELITE is the registered trade mark for the phenol resin products manufactured under patents owned by the Bakelite Corporation.

When writing to BAKELITE CORPORATION *please mention Nation's Business*

LIKELY as not you'd say "it's wood" when asked what a piano-action is made of. Now you know that it is HARD MAPLE. Same with the neat, flat platter you cut your bread on. It's HARD MAPLE. Play checkers? They're HARD MAPLE. So are tubs. So are tooth-picks, & steering-wheels on good autos. And good auto bodies. Also railway ties. HARD MAPLE, everybody's everyday good wood, sure enough. Can you guess the 148 other vital & artistic applications of HARD MAPLE, that World-standard "105%" hardwood? "Let's find out."

The New Hard Maple Book tells you.
It's very interesting. And authentic.
And worth filing. Free on request.

SEND YOUR NAME TO

The Northern Hard Maple Manufacturers
309 F. R. A. Building, Oshkosh, Wisconsin

NOTE: Hard Maple can be had in *mixed shipments* with Beech, Birch and other desirable Northern Hardwoods. Write for list of member mills.

magic ring. And if the small dealer, finding competition pretty keen, talks about handling the business on a ten per cent margin, the buyer may decide favorably right away.

The "open show-room" problem has been, is now and perhaps will be for years to come, one of the most widely discussed problems in the furniture industry. A start has been made toward common accord on the subject. At a meeting held in Chicago last summer at which all branches of the industry were represented, a set of principles of business conduct was adopted.

Have Code of Ethics

THE PRINCIPLES are practically word for word identical with those adopted by the Chamber of Commerce of the United States. With these principles there was formulated, after considerable thoughtful deliberation, a Furniture Code of Ethics. One of the articles in this code covers the subject of "open show-rooms" as follows:

> It shall be considered unethical for a dealer to request the admission of the consumer to an exhibition show-room or factory, either by letter of introduction, card or personal accompaniment.

Various exhibition buildings in the market centers operate on a "closed" or "dealer only" basis. This is now true of the new American Furniture Mart building in Chicago, the principal showroom buildings in Jamestown, N. Y., High Point, N. C., Evansville, Ind., San Francisco, Calif., and Grand Rapids.

The furniture markets in which manufacturers show their products in one center for the benefits of visiting buyers hark back to the Philadelphia Centennial in 1876, when Grand Rapids manufacturers exhibited as a unit their handiwork.

As a result of this first showing in a large way, the reputation of Grand Rapids as a furniture center began to spread. New factories started up; those already in existence expanded. Before long a considerable number of buyers were making regular trips to this center. A New York manufacturer of chairs, sensing the growing importance of Grand Rapids as a buying and selling center, sent out samples in 1878. More and more buyers came on, and in 1895 the number had grown to more than one hundred in a season. This number has increased until it reached 2,473 in the June-July period of this year.

Provide Conveniences

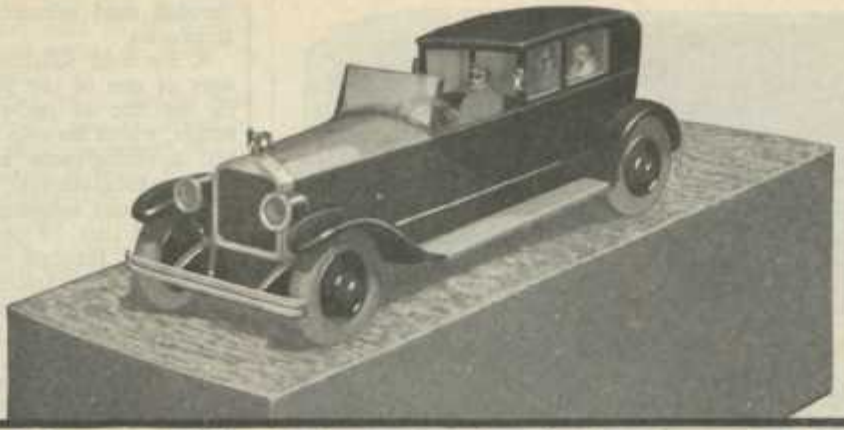
MORE than 500 manufacturers from more than half the states in the union have displays. A vast array of stocks are shown—from bed-room and dining-room suites retailing at $6,000 down to book-ends at 75 cents, picture frames, mirrors, gift articles. The Grand Rapids manufacturers—a majority of them—have their own factory show-rooms in which luncheon is served daily during the market seasons and to which transportation in private cars is provided from the leading hotels at all times.

Unlike many lines sold either through jobbers or direct from the manufacturers to the retailers, furniture is not generally sold by road salesmen working on salaries with some sort of bonus arrangement. A furniture factory disposes of its output by one of these methods:

1. Through mail-order houses. Only a small minority of factories do this. A few manufacturers, however, do make up special patterns secretly for mail-order houses.

2. Through jobbers alone. Not a large amount of the annual output gets distribution in this way.

3. Through jobbers in limited areas and



TWO SIDED VALUE



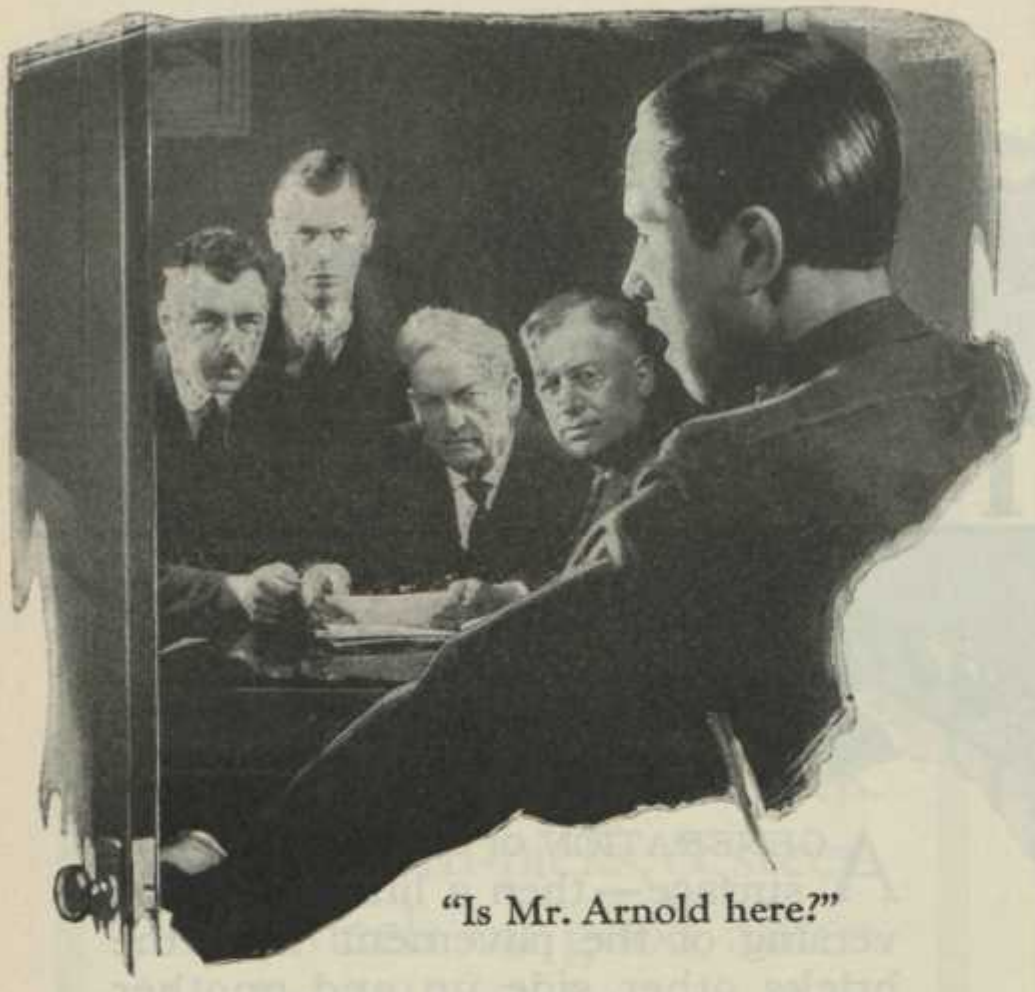
A GENERATION of service from one surface—then a lifting and reversing of the pavement with the bricks other side up and another generation of service ahead!—that's the story of scores of vitrified brick pavements laid 25 to 35 years ago. Citizens of Wheeling, W. Va., Butler, Pa., Omaha, Neb., Bucyrus, Ohio, St. Petersburg, Fla., Tonawanda, N. Y., Lynchburg, Va., and scores of other cities are profiting by the practically 100% salvage value of vitrified paving brick. How about your community?

VITRIFIED **Brick** **PAVEMENTS**

Alton Brick Company
Alton, Ill.
Binghamton Brick Company
Binghamton, N. Y.
Central Clay Products Co.
(Distributors MACK Paving Brick)
Wilkes-Barre, Pa.
Cleveland Brick & Clay Company
Cleveland, Ohio
Clydesdale Brick & Stone Co.
Pittsburgh, Pa.
Coffeyville Vitrified Brick & Tile Co.
Coffeyville, Kans.
Collinwood Shale Brick Company
Cleveland, Ohio
Francis Vitric Brick Company
Boynton, Okla.
Georgia Vitrified Brick & Clay Co.
Augusta, Ga.
Globe Brick Company
East Liverpool, Ohio
Hegelvania Coal Co.
Columbus, Ohio
Hocking Valley Brick Company
Columbus, Ohio
Independence Paving Brick Co.
Independence, Kans.
Metropolis Paving Brick Co.
Pittsburg, Kansas
Metropolitan Paving Brick Co.
Canton, Ohio
Mineral Wells Brick Co.
Mineral Wells, Texas
Moberly Paving Brick Company
Moberly, Mo.
Murphysboro Paving Brick Co.
Murphysboro, Ill.
Nelsonville Brick Co.
Nelsonville, Ohio
Peebles Paving Brick Company
Portsmouth, Ohio
Purington Paving Brick Company
Galesburg, Ill.
Southern Clay Mfg. Company
Chattanooga, Tenn.
Springfield Paving Brick Company
Springfield, Ill.
Sterling Brick Company
Olean, N. Y.
Streator Clay Mfg. Company
Streator, Ill.
Thornton Fire Brick Co.
Clarksburg, W. Va.
Thurber Brick Company
Ft. Worth, Texas
Toronto Fire Clay Company
Toronto, Ohio
Trinidad Brick & Tile Company
Trinidad, Colo.
Veedersburg Paver Company
Veedersburg, Ind.
Western Shale Products Company
Fort Scott, Kans.
Westport Paving Brick Company
Baltimore, Md.

OUTLAST THE BONDS

NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION, ENGINEERS BLDG., CLEVELAND, OHIO



Autocall finds the wanted man without disturbing others

CONFERENCES interrupted, executives annoyed, a customer kept waiting—all because someone isn't in his usual place, and (in the old-fashioned office) *there's no quick way of finding him.*

But in the modern office they reach the man they want *instantly.* No matter where he is, Autocall searches him out and gets him on the phone, without disturbing anyone or wasting a moment.

Autocall is the only known way to make the telephone 100% effective. It keeps every individual in constant touch with everyone else, no matter where his duties may take him. Autocall will save you time and temper and money, and give your customers better service. We'll gladly prove it by letting you try Autocall in your own place FREE. Full details sent in response to the coupon below.



Autocall PAGING SYSTEM

The Autocall Company, 312 Tucker Ave., Shelby, Ohio.

☐ Send information about Autocall Paging System *and free trial offer.*
☐ Send information about Autocall Industrial Fire Alarm System.
☐ Send information about Autocall Watchmen's Supervisory Service.

Name

Address

through road salesmen's efforts in remaining territories.

4. By field solicitations of the sales manager or one of the partners who in addition to the line of bed-room furniture, for example, which his own factory makes, may also sell a dining-room and living-room line of other manufacturers.

5. By road salesmen entirely. It has been estimated that 70 per cent of the furniture distributed through retail stores is sold out of factories by "traveling brokers"—salesmen who work entirely on commission, and who handle lines of two, three, four or more non-competing factories.

6. By direct sales at the furniture market. Of the 70 per cent of furniture distributed through the retail stores or sold out of the factories by "traveling brokers," orders for approximately half of this amount are taken at the semi-annual markets. Department store managers allot to furniture buyers, as a rule, a certain percentage of the estimated year's volume that can be purchased in a given period. Usually in the period that includes a semi-annual furniture market the percentage allotted is greater. However, if the buyer is able to pick up at a special discount salable merchandise preceding the opening of the regular market, naturally the volume of orders placed in the special buying period will be cut down.

Why Grand Rapids?

IN THE past two years it has been found that many representatives of retail stores come to the furniture centers, then go home and wait until needs for the merchandise are actually anticipated before definitely placing orders. This throws a certain percentage of the total volume sold into the mail-order class.

One road salesman may sometimes carry cheap and high-grade bed-room lines, a novelty furniture line, one of dining-room, one of reed or fibre, and perhaps a line of chairs.

It is only logical to ask whether a manufacturer of any line gets satisfactory representation by the "traveling broker" method. A few manufacturers have not been content with such selling arrangements and employ road salesmen on a salary and bonus plan. Such producers say that experience has taught repeatedly that traveling representatives working a given territory on a brokerage basis hit only the high spots and never bother with the smaller communities.

The question has often been asked, "Why is Grand Rapids a furniture center?" Twenty or more years ago one might have answered it was because the city was close to the supply of good hardwood lumber. Today, however, there's a different story.

Grand Rapids was originally settled by Dutch. Naturally as the city produced more furniture, more skilled carvers and cabinet makers from Holland settled there. So today we find Grand Rapids so well known as a furniture center: first because furniture manufacturing predominates; second—and more important by far—because it has the largest concentrated group of skilled cabinet makers in America; third, because it is the home of a majority of the industry's leading designers.

Consumers of quality merchandise in any line—the greater number of them—live in or near the few larger centers of the country. This reflects very clearly in the distribution of Grand Rapids furniture. In 1922 of all the carload shipments of furniture from this city, 32 per cent went to Greater New York. Forty-one per cent went to Atlantic coast cities and twenty-nine per cent were

shipped to Los Angeles and San Francisco. In other words, 70 per cent of all carload shipments found its retail outlets on either the Atlantic or Pacific coast.

Other furniture centers have already been mentioned. Chicago should not be passed by unnoticed. Its yearly wholesale output of furniture, exclusive of pianos, is about $75,000,000, according to statements in an association of commerce bulletin. It contains 350 furniture manufacturing establishments including scores of small upholstering plants whose output has primarily local distribution.

Chicago always has been a furniture center of note. Its semi-annual markets are held simultaneously with those of Grand Rapids, so that buyers may look over lines in both centers. The Chicago market is known in the trade more for lamps, chairs and upholstered furniture, while Grand Rapids is supposed to have the edge in dining-room and bed-room furniture.

Toward Source of Supply

EVANSVILLE, IND., also has a semi-annual furniture and stove market, usually in September and March. Its annual output of household furniture and stoves has been estimated at $37,000,000.

Rockford, Ill., and Jamestown, N. Y., are two other furniture centers well known to the trade. Jamestown, the larger, holds markets twice a year—usually in November and April. Both these cities have expert cabinet makers of Scandinavian origin—very conscientious and skilled in their trade. Sheboygan, Wis., too, is well known.

The Pacific coast region has shown an ever-increasing interest in furniture production. However, outside the old, well-established centers in the northern part of the United States, High Point, N. C., has shown the most remarkable growth. The South today gives us most of our hardwoods, and it is only natural that furniture manufacturing should develop near the source of supply.

In 1921 railroads in the southern district (east of the Mississippi and south of the Potomac and Ohio rivers) carried from points of origin in the South only 17 per cent of furniture produced. In the first half of 1924 this had increased to 23 per cent.

One of the most interesting events in the furniture industry in recent years has been the erection of the American Furniture Mart on the shore of Lake Michigan not far from the Hotel Drake in Chicago. This seventeen-story building with more than forty acres of floor space rentable was formally opened July 7. It has more rentable area than any other building now completed and is devoted to all-year displays of furniture and allied lines, not including floor coverings. The first two floors are given over to the American Exposition Palace, which had as its first attraction the Illinois Products Exposition in October.

A Tariff Dictionary

A TARIFF dictionary has an alluring title. It suggests that within its pages a seeker after duties to protect his goods or a champion of free trade may find first aid of value.

This suggestion the Dictionary of Tariff Information published by the United States Tariff Commission makes good. In its thousand pages of generous size it brings together an outline of all the data that the Commission has collected upon each article mentioned in the tariff law. For good measure and convenient reference, it adds a number of features, such as its statement of the position taken by each President of the United States upon tariff.

Do You Know A Metal Door?

Or, does the name bring a vision of heavy rough iron doors with crude strap hinges? If it does you have not kept pace with developments, as that is not the appearance of the modern metal door.

About twenty years ago the modern DAHLSTROM Steel Door made its debut. Like the sugar coating of the pill it was coated with an artistic finish to make it unobtrusive and acceptable in any place. Its true nature and active ingredients were effectively disguised; it passed for a well dressed wood door.

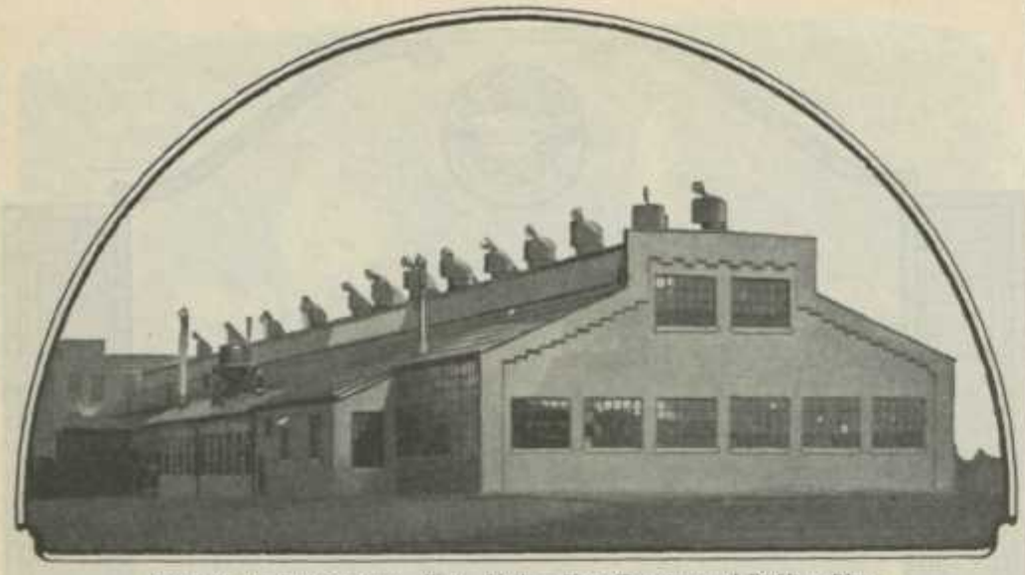
Why use steel doors? Have we run so short of wood that we must substitute? No, the DAHLSTROM Door has a more noble purpose; wood burns and fireproof walls with such doors cannot confine a fire. A DAHLSTROM Door does and will. Even while its fine dress is flawless, its nature of steel will, like the knights of old, fight valiantly and stop the enemy's progress. The elevator shaft would be a huge flue without this efficient protection. The stair well is also a favorite highway of the flames which would roll from floor to floor were it not for the barrier of the steel door.

Write for information concerning uses, styles and finish, and such other information as may interest you.

DAHLSTROM METALLIC DOOR CO.
425 Buffalo Street, Jamestown, N. Y.
BRANCHES:
NEW YORK CHICAGO DETROIT
Local Representatives In Principal Cities

DAHLSTROM
Established 1904

When writing to DAHLSTROM METALLIC DOOR COMPANY *please mention Nation's Business*



Buick Motor Car Company, Flint, Mich.—Heat-Treating and Pickling Plant

Twelve years of complete ventilation —cost-free and trouble-free

TWELVE years ago The Buick Motor Car Company installed a battery of Swartwout Rotary Ball Bearing Ventilators on this plant, one of many installations made for them and for other General Motors Divisions.

During these twelve years these ventilators have withstood the gases, fumes and heat coming from the pickling and heat-treating departments without deterioration.

Best of all, they have done, and are doing, their work silently and automatically, with no expense either for upkeep or operation. Swartwout ventilation is positive and trouble-proof. A steady stream of air is exhausted upward and outward without back drafts.



Swartwout Ventilators are widely recognized as standard. Built of a rust-resisting metal over a strong frame of galvanized angle iron, and mounted on non-corrosive ball bearings, Swartwout Ventilators are lastingly efficient.

Stocks carried in principal cities, including Pacific Coast.

Swartwout Ventilators have been specified for many years by architects and engineers, and the very earliest installations are today giving complete satisfaction.

If you have a ventilation problem, our engineers will gladly help you solve it. Their advice and the service of our branches and agencies are yours for the asking.

Send for Ventilation Book—"The Gospel of Fresh Air"

THE SWARTWOUT COMPANY, *Cleveland, Ohio*
General Offices: 1805 Euclid Avenue :: *Factories:* Cleveland, Ohio—Orrville, Ohio

Swartwout
Rotary Ball Bearing
Ventilators

When writing to THE SWARTWOUT COMPANY *please mention Nation's Business*

Good-byes Are Said in Congress

IT HAS come so that everybody feels he has the inherent right to throw a brick at Congress and its members. The practice has become so much a part of daily life that the average representative stops, looks and listens before he leaves the door of the Capitol and then, buttoning up his coat and pulling down his hat, makes a dash for the shelter of his home.

After all, isn't that attitude largely due to cruel thoughtlessness? Are we giving the congressman the fair consideration he and his problems deserve? Are we, to put it bluntly, remembering that he is a human being, with the same emotions, the same feelings, griefs and joys that move his fellow-man? Isn't it time to Call a Halt?

Leave Business, Home, Friends

FEW MEN in this day of money grubbing will leave their business, their friends, their home, to transplant themselves and their families in a strange community and take up work wholly new, for a salary that hardly covers moving and living costs, and the incidental expenses preliminary and necessary to getting the job. (Editor's note: The pay problem has recently been removed to a degree.)

And yet, out of the 435 members of the House rarely does one desert what he considers his post of duty. When the people call upon him to go forth to a two-year exile, he offers himself, unflinchingly, on the altar of duty and bravely advances to meet the complexities of life and service in Washington.

His sorrow at leaving the old home is exceeded only by his grief when the popular voice calls on him to end his period of sacrifice in the Capitol. The folks back yonder sometimes evidence their unappreciativeness, not to say lack of intelligent voting, by calling to their representative to come back home and again mingle freely with them as a private citizen. Few spectacles so sad, so touching. Nowhere else is the woe-weighted heart laid so open to the public gaze.

Not a Dry Eye in House

ONLY a few days ago one of the members, whom the home folks want at home, in speaking his farewell piece before the House, asked all of his colleagues to send him their photographs, autographed, so that he might put them up in his office—434 of them, not including his own. There was not a dry eye in the House. And then there came Representative Charles L. Richards, sole member from Nevada, who so poignantly stated the case—his own and others—on the floor of the House on February 24. Here are a few words from Mr. Richards's farewell, as carried by the *Congressional Record* in its peculiarly cold and hard type:

Several of us first-termers sought reelection, prompted by unselfish motives and the desire to further serve to the best of our ability our people and our country—at a sacrifice, I want to say, speaking for myself personally. I along with some others, in so far as those desires have been concerned, have found them disregarded at home, and we are about to make our departure from this body. I lost my reelection by 227 votes. There were 934 more votes cast for the presidency in my State than were cast for the congressional candidates. Some one failed to vote for the congressional candidates.

The cold fact of defeat carries no sting with it, so far as I am concerned. It was only one more accepted event in my life, that is all. The



Fordson Tractor Effects Annual Saving of $5000.00

Through the installation of a Fordson Tractor and two trailers for conveying foundry facings and supplies, an annual economy of $5000.00 has been effected by the Frederic B. Stevens Company of Detroit.

W. J. Cluff, Vice-President states, relative to the improved conditions: "This outfit was purchased to displace six horse-drawn trucks, which we had used for years in hauling brick, tile and various products in barrels and boxes, between our warehouse and the various freight depots.

"At first, we were somewhat doubtful of the feasibility of this plan, but our actual experience has been that the single unit is doing at least as much work as the six horse-drawn trucks and in some respects the service is more satisfactory.

"A conservative estimate of the saving which we will effect during the year, through the installation of this outfit, is $5000.00."

Authorized Ford Dealers can supply data on cost operation covering every business involving motor transportation.

Fordson Tractor, $495 f. o. b. Detroit

Ford

CARS · TRUCKS · TRACTORS



Symbol of Stability

THE privilege of using "Metered Mail" is granted by Post Office Department license to reputable, well established organizations. It has thus become a symbol of stability and insures for mail bearing these indicia a high degree of attention and respect.

Endorsed by nationally known business institutions
—backed by expressions of confidence resulting from extensive use in all commercial lines
—based on an improved postal service for quicker communication through the mails
—resulting from seventeen years experience in contracting to Post Office Departments of leading countries
—authorized by this and other Governments and officially recognized as an adjunct to the postal service

—That is the story of "Metered Mail"!

Information regarding method of obtaining license from the Post Office Department and a brief description of "Metered Mail" equipment will be sent to any executive writing directly to us.

We also manufacture a complete line of permit-printing devices and power-driven stamp affixing machines. Booklet on request.

The Postage Meter Company

SOLE DISTRIBUTORS OF
THE PITNEY-BOWES POSTAGE METER
701 Pacific Street, Stamford, Conn., U.S.A.

Offices in principal American cities and foreign countries

THE WORLD'S LARGEST MANUFACTURERS OF MAILING EQUIPMENT

412

TRADE METERED MAIL MARK

thought of my home-going brings corresponding joys to me, but with it, my friends, I want to say is mingled a feeling of pathos and regret, because of the termination of the most delightful association I find in this body.

In spite of the two years of sacrifice on the part of Mr. Richards, 934 voters failed to see to their duty and the farewell address is the result. But, as Mr. Richards says, it carries no sting with it; frank regret, without complaint. Mr. Richards continues, according to the usually reliable *Record:*

Ten days after I became a full-fledged congressman when at Las Vegas, Nevada, I was invited and became a happy member of the congressional party on tour of the Colorado River, Imperial Valley, part of Arizona, and California. My good wife and I met and learned to love the whole party, consisting of 21 congressmen and 2 United States Senators, their wives and families, only to renew the delightful relations upon the convening of the subsequent Congress. It was on this tour we all saw first-hand a living menace in the shape of an uncontrolled natural resource that constantly threatens the lives of nearly 100,000 Americans and $200,000,000 in property values.

It was my interest in legislation pertaining to the control and development of this river that made me enthuse and forget my private and selfish interests and to seek reelection that my name might be linked with important national legislation concerning the control and development of this great natural resource. . . .

There is a destiny that shapes our ends, rough hew them as you will. I bow to fate.

Gosh! It Was Worth It!

BUT NOT one word of criticism comes from Mr. Richards. He is bound for the Truckee meadows and Reno—home—and his law practice, for, as the *Congressional Record* so pithily puts it:

All my wishes end where I hope my days will end, not at Monticello, but at my home, known as the "Balm of Gilead," in the Truckee meadows on the banks of the Truckee River, nestled in nature's basin surrounded by the foothills of the snowcapped Sierras. Here, too, lies my beautiful home city of Reno. It is most picturesque and the "biggest little city in the world," as well as the most misrepresented and misunderstood.

I am about to resume my law practice at Reno and give personal attention to my mining and other business interests. My final goodbye to you all and my final invitation to you jointly and severally, to be my guests, without date as to expiration when you may come and without duration as to stay after you get there

THE CHAIRMAN: The time of the gentleman has again expired.

MR. RICHARDS: May I ask unanimous consent to revise and extend my remarks and to include a poem characteristic of my part of the country?

THE CHAIRMAN: The gentleman from Nevada asks unanimous consent to revise and extend his remarks. Is there objection? (After a pause) The Chair hears none. By permission given to the gentleman of Nevada (Mr. Richards):

BACKIN' JIM
By E. Isabelle McClelland Hanson

I've been listenin' to you wimmin
All a-sayin' what you think
Of the good and bad of livin'
Up here on the Carson Sink;
But I know as I've set thinkin'
Of the children and of him,
That to me the place don't matter,
I'm out here backin' Jim.

The other nine stanzas of the poem are given in the *Congressional Record.*

Back home . . . Through with Washington and its shams and disillusions, its complexities—back home to the old law office and old friends.

But Gosh! It was worth it, sacrifice or no sacrifice.



Sell U. S. Wire & Steel 5's at the Market

The city phone rang at the desk of an officer of the Equitable Trust Company of New York.

"Hello, Mr. Drane? This is Watson of the Watson Estate. Mr. Drane, when did we buy that block of U. S. Wire & Steel 5's and what did we pay for them? I want to sell them."

"Just a moment, please," answered Drane, and he turned to the P-A-X phone at his elbow. A quick spin of its dial gave him an instant connection with the Bond Department.

"Tomlinson? Look up that U. S. Wire & Steel bond transaction with the Watson Estate and get me the purchase date, the price paid and the present market. - - - - July 19, 1921, 97¼, 99⅜ bid, thanks, Tommy."

Drane relayed the information so rapidly obtained back to Mr. Watson. "Yes, those are the figures. - - - - You want to sell? We'll execute the order at once and forward a confirmation tonight, goodbye."

Once more Drane turned to the P-A-X and dialled the Bond Department. "Sell twenty-five U. S. Wire & Steel 5's at the market and confirm sale to S. J. Watson. Yes, Watson Estate. Send a copy of the confirmation to Edwards."

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Business and the 68th Congress

By FRANK C. PAGE

Manager, Resolutions and Referenda Department, Chamber of Commerce of the United States

THE 68TH CONGRESS, which ended March 4, can be put down as conservative in action even if it were radical in talk. And, after all, it is what a Congress does and doesn't do that counts.

Economy has been the slogan of the administration, and the 68th Congress was fairly economical. However, it is not possible in the face of the soldiers' bonus, the Postal Salaries and Rate bill, the Rivers and Harbors bill, the appropriation for public roads and the increase of congressional salaries to say that this Congress has been one of outstanding economy. Yet its record shows a reduction of public expenditures as compared with that of the preceding year.

But one cannot put down as radical a Congress which killed or let die such measures as:

The McNary-Haugen bill for Government interference in regulation of agriculture and agricultural products prices.

The Howell-Barkley bill to reorganize the Railway Labor Board eliminating public participation in railroad labor disputes.

Government Ownership Bills

THE PROPOSAL for reciprocal taxation between states and Government of new issues of heretofore tax-free securities.

Bills for government ownership and operation of natural resources, centering particularly around Muscle Shoals

The Fitzgerald bill, a labor proposal for compulsory monopolistic workmen's insurance in the District of Columbia.

In other words, bills aimed at further government regulation of business or the injection of Government in private business were sidetracked somewhere along the legislative path towards enactment.

Looking at the Congress from a business point of view, there was much left undone. Among the other measures which didn't pass were those for the reorganization of the Foreign Service of the Foreign and Domestic Bureau of the Department of Commerce; for the establishment of a Bureau of Civil Aeronautics in the Department of Commerce; the McFadden-Pepper bill permitting the establishment of branches for national banks and other legislation favored in principle by the banking interests in this country.

The Senate did not act upon the resolutions for adherence to the International Court of Justice. Congress failed to finally pass the bill for the reorganization of the government departments.

Agriculture, because of the unhappy conditions in this field, particularly in the grain section of the country, was the subject of much debate, and innumerable bills for its relief were offered. The administration called a number of conferences on the subject and Congress investigated. Two proposals, which had at least the tacit support of the administration, were turned down by Congress. Numerous plans fathered by individual representatives and senators died also. The only action taken for agricultural relief was the raising of the tariff on wheat by the President at the recommendation of the Tariff Commission and the passage of certain lesser relief bills none of which deal with the whole agricultural field.

In the foreign field, despite the failure to ratify the adherence to the International Court of Justice, Congress passed a bill of real merit—the Rogers Foreign Service bill—reorganizing the Foreign Service of the State Department, placing the Consular and Diplomatic Service on an equal and interchangeable basis and giving a much-needed raise in salaries to the members of the Diplomatic Service. The Senate ratified the commercial treaty with Germany and the treaties funding the debts of Poland, Hungary, Finland and Lithuania.

Amendments to the China Trade Act were enacted placing American China companies on a substantially similar basis with their competitors from other countries by eliminating much of the dual taxation. Congress authorized the President to lower or do away with the vise fees on passports reciprocally with other countries. This act is of immense benefit to American business men and their representatives traveling abroad. The Immigration bill is one of the outstanding pieces of constructive legislation of the 68th Congress.

Congress passed a bill making enforceable in Federal courts the awards made by arbitration boards.

In the field of finance, Congress enacted a tax bill materially reducing the income taxes, which, despite predictions to the contrary, has still left a large surplus in the Treasury.

Important railroad legislation, practically all of which the railroads and American business did not favor, failed. The repeal of the Pullman surcharge, compulsory railroad consolidation, the Gooding long and short haul bill, all died when Congress adjourned on March 4.

The Department of Commerce, towards which all American business looks with favor, did not get from Congress all that business had hoped it would get. However, the failure of the Foreign Commerce Service bill of the Bureau of Foreign and Domestic Commerce and the bill to establish a Bureau of Civil Aeronautics was compensated for in part by the fact that Congress increased certain appropriations for the department, making it possible to carry out some additional needed work at home and abroad.

Government and State

THE RELATION of the National Government to states, in the form of state aid for various projects or government control of what have hitherto been state functions, came very much to the fore during the past year. In the passage of the McNary-Clarke Forestry bill, Congress went on record in favor of the preference of government subsidies to those states which appropriated money for the protection of the headwaters of navigable streams. It passed a $75,000,000 appropriation for government aid to states on an equal basis of state expenditure for the construction of post roads. It reenacted the vocational education bill giving government aid to states for the vocational training of disabled workmen.

On the other hand, the new bill providing for a Department of Public Education and Government funds on an equal basis with funds for general education never came out of committee. There is visible in Congress and in the country a reaction against the policy of government appropriation for state uses.

The Senate passed the Child Labor Amendment, but the states' legislatures to an overwhelming number refused to ratify it.



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Says the White salesman: "Yes, sir. Those new Whites will be exactly like your old one. You get the same quality in a White Truck whether you buy one truck or 100. Every White Truck is built to keep on rolling up *money-earning miles.*"

"That's what I'm expecting," says Mr. Buyer. "You know it was that four-year-old White that sold these new jobs to me. I put three questions to every truck in my fleet at the end of every year."

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Says the salesman: "That's the way every truck ought to be judged."

"That's the way I'll judge 'em. And if these three new ones do as well as the first one, there's going to be a new name on that Roll Call of yours."

"The White Roll Call has been built in just that way," says the salesman. "One White sells another. In 1910 only one firm boasted a fleet of 10 Whites. When the Roll Call was published last year, 755 owners had fleets of 10 or more—a total of 28,166 trucks."

"Well, I'm through experimenting," says the buyer. "What it's cost me in money is bad enough, but transportation troubles have taken my time away from the other phases of my business. This trucking problem has had me going."

"With your new Whites you can forget your trucking problem," says the salesman. "Thanks for the order—and we'll keep in touch with you."

Let us send you the White Roll Call the salesman talks about. We have booklets, too, detailing the performance of White Trucks in various lines of business. Write The White Company, E. 79th Street, Cleveland, or telephone the branch or dealer near you.

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Partnership Proves Success

THE PLAN for employe partnership adopted in 1918 by the Dutchess Bleachery, Inc., at Wappingers Falls, N. Y., has proved a success, according to conclusions reached by the Russell Sage Foundation after an exhaustive study. *The Iron Age* publishes an outline of the report of the Foundation by Mary Van Kleeck. As here described, the plan "in its first three years of operation revolutionized the attitude of the workmen toward production, transformed a village of dilapidated houses into a community of comfortable and sanitary homes, and enabled the company to pay dividends when most other companies in the same industry were suffering from a severe business depression."

It is held that the results achieved at Wappingers Falls are most significant to the iron and steel industry "because the relation between employers and employes at this plant, and the effect of the plant on the community, when the partnership plan was conceived, are identical with present-day conditions in many branches of the iron and steel and allied industries."

Changes After 100 Years

THE BLEACHERY had been established under its original owners for nearly 100 years when it was bought out by a new group. "One of the new owners had been led to make an analysis of industrial organization because a friend of his had declared that no industry was run on ethical principles." His conclusions were illuminating:

1. The managers of large operations lack personal contacts with their own employes. Without these contacts they are unable to understand the points of view of the wage earner or to see how disadvantageous conditions affect them.
2. Industry provides no stimulus to creative work. The worker is limited to one small job and has no information about the industry as a whole, nor can he see his share in it. The prosperity of the business seems to him to be quite independent of his own efficiency.
3. Not only does the worker fail to see that his small task is important in total production, but he is skeptical as to whether he receives his share of the earnings of the business, and he does not feel that he has any permanent place in the business.

Deals With Three Defects

"THE PARTNERSHIP plan, as gradually evolved in the Dutchess Bleachery, was directed toward remedying these three defects. Besides providing funds in advance to enable the business to make payments to both stockholders and wage earners in periods of industrial depression."

And how does the plan work? The spirit of the employes toward the concern, since participation, may be gathered from the following statement: "Not 'How much can we get out of the bleachery for ourselves?' but 'What can we do to make this a successful and efficient business enterprise for everyone concerned?'"

And it is the testimony of foremen and managers that "the partnership plan has revolutionized the attitude of the operatives toward production. To cut down waste, to make certain that no goods were spoiled, to increase the output in a given time, insured an increase in profits and a larger net income to each operative. Here was an incentive, direct and personal, such as only proprietors of a business have heretofore experienced."





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Spring Comes to Congress

The time has come, the Congress said,
To make some funny speeches,
On Polygons and Presidents,
On Bores and Bathing Beaches.

YES, AND on swimmin' holes, and hobby horses, and old women, and Methuselah.

The pores of Congress have been oozing poetry. Some of it was original with Members; some was imported into the proceedings from far Nevada, and told how the good woman was "backin' Jim."

The matter with Congress?

Why, this is the matter! The District of Columbia Groundhog, after hanging around all the morning of his day, finally had to retire without seeing his shadow, as a consequence of which spring came tripping into Washington for a round of preliminary calls in February, and imparted to all the inhabitants that pleasant delirium which attends her footsteps. Out on to the Mall the people spilled, and lo! the first thing we know we find Representative Lozier (Missouri) lined up for battle against the building of a new bridge across the Potomac:

Give Us a Polygonal Temple or Give Us Death!

THE PRESIDENT tells us that Rome had "five great avenues of approach." What has that got to do with this case? How does that justify this $14,750,000 expenditure? It seems to me that there is no urgent need for more "avenues of approach" to Washington. It is easier to get into Washington than to get out. Any person, although as weak-minded and unsophisticated as a Congressman, can enter Washington without difficulty, but he must have outstanding genius and be a financial wizard to get out of Washington with money enough in his pocket to pay his way back home. . . . My experience and observation convince me that the trouble with Washington is not so much the lack of avenues of approach as the lack of avenues of escape.

The Washington formula, especially when applied to Congressmen, is first, ascertain his maximum income; second, determine the minimum amount necessary to enable the victim to keep body and soul together; and third, take the remainder. Elsewhere the rule is universal that a person's estate cannot be administered until after his death, but this rule does not prevail in Washington. . . .

My colleagues, "Tell it not in Gath, publish it not in the streets of Askelon," but confidentially, one of the crowning achievements of this bridge project is a polygonal, or many-sided temple at the junction of the bridge and the Lee Highway. I said a polygonal, not a polygamous temple.

. . . To the average American the sight of a polygonal temple will cure sore eyes, and is sweeter than the nectar and ambrosia of the gods. The stolid, taciturn, impassive, level-headed Americans may look with complacency on war, pestilence, famine, financial disaster, physical affliction, and social ostracism, but as a panacea for all these ills, President Coolidge is going to build them a polygonal temple.

True the American people are taxed $14,750,000 to build this bridge, but look what they get for their money: among many other things, a polygonal temple. Athens had her Parthenon, Milan her cathedral, Paris her Notre Dame and Fontainebleau, Rome her Pantheon and St. Peter's, Spain her La Giralda, Constantinople her St. Sophia, India her Taj Mahal, and by the grace of President Coolidge, the American people are to have a polygonal temple. . . .

The President, in the instant case, is short on economy, but long on artistic architecture. For the small number of architectural experts and for the elite and those who are intensively cultured and who live, move, and have their being in the realm of the esthetic and the artistic, the President has planned a bridge with segmental arches, colossal columns, marble pylons, granite abutments, graceful pilasters, symmetrical peristyles and exquisite bas-reliefs, but the 109,000,000 common people in America who were not so easily satisfied, with one voice and with one accord, joined in the loud-swelling chorus:

A polygonal temple we long have sought,
And mourned because we found it not.

Coincident with which there echoed and reverberated from ocean to ocean the despairing, frenzied and passionate appeal to Calvin:

"Give us a polygonal temple or give us death."

Wherein Are Reported Lame Ducks with Swan Songs

SENATOR HEFLIN (Ala.): There is a lake full of lame ducks swimming around, hobbling about the Capitol, and they are looking wistfully toward the White House.

MR. ASHURST: And, Mr. President, many, if not most of the lame ducks, are performing a strange miracle—singing swan songs.

MR. HEFLIN: Yes. But, Mr. President, since the election and during this session the Senator from South Dakota has changed his position and made several speeches against the position he took last year. I believe I can see dangling before his eyes a fine and luscious plum in the way of an appointment to some fat Federal office and sometimes I can see him looking up anxiously at it and tiptoeing as he stretches forth his hands as if eager to take it in his grasp.

SENATOR STERLING (S. Dak.): Mr. President, I wish simply to say that I wish I had the imagination even of the Senator from Alabama.

MR. HEFLIN: I think the Senator would much prefer to have the appointment.

MR. STERLING: I merely wish to say in regard to the appointment that I cannot even indulge in any imaginings.

Wherein Is Talk of Bathing Beaches and Bathing Beauties

SENATOR NORRIS (Nebr.) (speaking to keep the white folks' bathing beach on the tidal basin): It is a good place to go and rest. One can go up there and sit on comfortable seats, in the shade, on the second story of that pavilion, and watch the antics of the young folks as they are bathing out there in that pool. It would do your old gray head good, and it would be just as beneficial to an old bald head.

MR. SMITH (S. C.). Does the Senator refer to the bathers or to the bathing pool?

MR. NORRIS: Both.

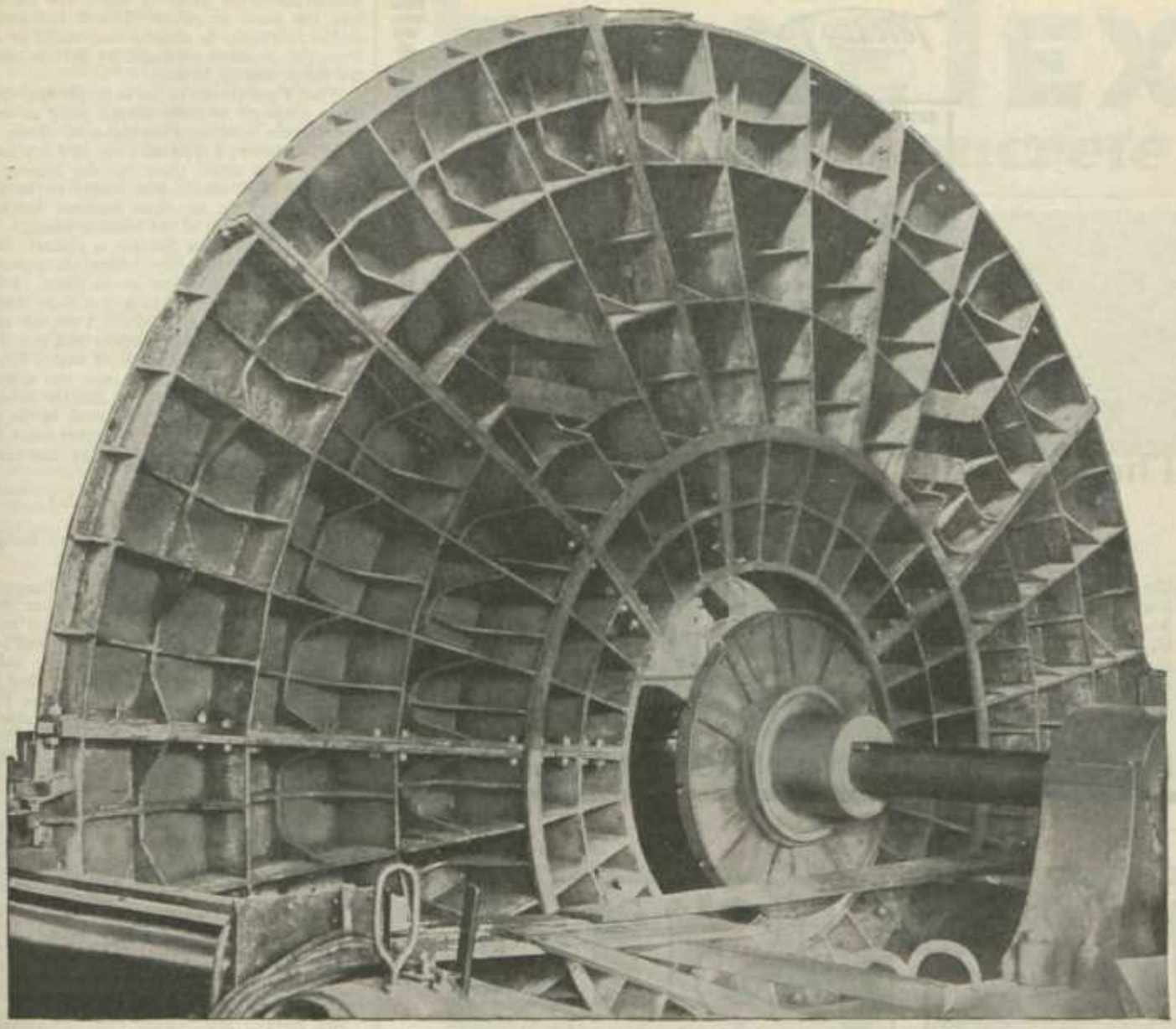
MR. STANLEY (Ky.): Mr. President, I do not want to be too technical, but does the Senator refer to the time before or after they adopted the rule about the single-piece bathing suit, when he had this pleasurable sensation? . . .

MR. HEFLIN (Ala.): . . . The tidal basin is in shape more like a skillet or frying pan. I do not know whether some Senators know what I am talking about or not. . . .

MR. STANLEY (Ky.): . . . I know that we are about to hear one of the most remarkable utterances ever heard on the floor of the Senate if the Senator from Alabama will just turn himself loose. No man in this body has a better command of language, none has a more vivid imagination, and if the Senator from Alabama will just take us into his confidence and tell us from his own personal experience of the joys that come to an appreciative soul as he sits on a summer afternoon and watches those figures, lithe, graceful, and scantily clad, as Dolphinlike they play at the basin, the beach is saved!

MR. HEFLIN: The eloquent Senator from Kentucky has made my speech already. I could not begin to describe the loveliness of the charming maidens who swim in the Tidal Basin as the Senator from Kentucky has described them.

The Senator from Nebraska (Mr. Norris) has



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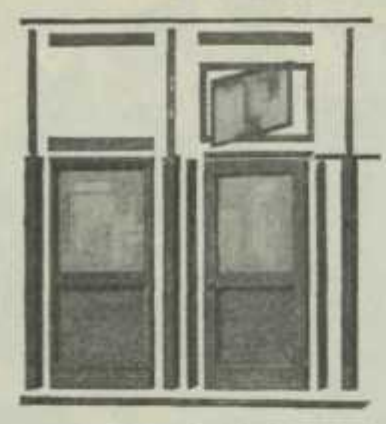
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already told us how he has been fascinated, when wandering in the park, by those who have gone into the basin to swim. This is too serious a matter to indulge in pictures that might be drawn from the situation presented by a close study of the beach and its bathers.

What I am trying to do is to get that bathing beach removed to some distant point so we can keep certain senators away from it. I am interested in keeping a quorum here. I don't want to have to send down there for the Senator from Kentucky and others who ought to be in the Senate attending to their business instead of straining their eyes at the bathing beach.

MR. STANLEY: The Senator is unkind. It will be only a very few days before the places that now know me will know me no more. I depart from this historic place in a few short hours, in obedience to a decree for which I am not responsible, but I do hope the Senator will not deprive us of the beach, too. That is all that is left.

But, Mr. President, the Senator has a stronger case than he has made. The Senator from Alabama confined himself to the naiads in the water. The Senator overlooks the fact that some of the most attractive figures obey the mother's injunction:

> Mother, may I go out to swim?
> Yes, my darling daughter.
> Hang your clothes on a hickory limb,
> And don't go near the water!

MR. HEFLIN: Mr. President, we all regret that our good friend, the able and brilliant Senator from Kentucky, is soon to depart from us. We shall miss him as the country will. And he will be missed at the beach. He is not the only one who will be missed there, because if that beach remains we have got to take some steps to provide for a quorum here. When the weather gets warm and those beautiful bathers go down to swim in the Tidal Basin, where 10,000 wimpling waves throw kisses at the sun—I fear that it will be difficult to keep a quorum. . . .

The Identity Question: Who Is an Old Woman?

SENATOR ROBINSON (Ark.): The Senator is like an old woman; he wants the last word; and so far as I am concerned, he can have it.

SENATOR BRUCE (Md.): Well, have you not noticed that the old women always have it?

MR. ROBINSON: Yes; and I notice that the Senator is getting it.

MR. BRUCE: The Senator from Arkansas is entitled to his laugh. That is all right. All I want to say to him is that I do not so much mind being called an old woman, because——

MR. ROBINSON: Mr. President——

MR. BRUCE: One minute.

MR. ROBINSON: Mr. President——

THE PRESIDING OFFICER: Does the Senator from Maryland yield to the Senator from Arkansas?

MR. BRUCE: One minute. I do not yield.

MR. ROBINSON: It would be unparliamentary to call the Senator an old woman, however much he resembled one. It was not unparliamentary to say that he was like an old woman.

MR. BRUCE: I do not yield.

MR. ROBINSON: I thought the Senator yielded.

THE PRESIDING OFFICER: The Senator from Arkansas will refrain from interrupting. The Senator declines to yield.

MR. BRUCE: . . . We once had a very distinguished Democrat in Baltimore who had a most wonderful gift for preserving his good humor when he was interrupted in the course of his speeches. On one occasion an Irishman named Larry Finnegan kept on interrupting him, just exactly as the Senator from Arkansas is now interrupting me. This was Governor Whyte to whom I refer. Finally the Governor turned to him and said, "Be aisy, Larry; and if you can't be aisy, be as aisy as you can."

The Senator says I am an old woman.

MR. ROBINSON: O, Mr. President, will the Senator yield?

MR. BRUCE: Now be easy, be easy.

THE PRESIDING OFFICER: Does the Senator from

Maryland yield to the Senator from Arkansas?

MR. ROBINSON: The Senator has misquoted me.

MR. BRUCE: Now, Senator——

MR. ROBINSON: Will not the Senator yield? He certainly does not want to misquote me.

THE PRESIDING OFFICER: Does the Senator from Maryland yield to the Senator from Arkansas? (A pause.) The Senator declines to yield.

MR. ROBINSON: Does the Senator decline to yield after I state to him that he has misquoted me?

MR. BRUCE: I think that I understood what the Senator said.

THE PRESIDING OFFICER: The Senator declines to yield.

MR. BRUCE: I say, I do not so much mind being put in the class of old women, because I recollect that my friend Benjamin Franklin said on one occasion, in one of his famous productions, that all old women are good women.

MR. ASHURST (Ariz.): All the old men are good men.

MR. BRUCE: By no means. The worst thing in this world is a vicious, abandoned old man, though there are some middle-aged men that are almost as pestiferous.

MR. ROBINSON: Why does the Senator look in this direction when he makes a remark like that?

MR. BRUCE: They are usually from the State of Arkansas. Now, Senators, I really must conclude. . . .

* * *

SENATOR NEELY (W. Va.): If some power, human or superhuman, will instantly and securely apply effective Maxim silencers to the oral orifices of about 90 Members of this body, we can dispose of the entire pending question before this time day after tomorrow. And if the flood of oratory with which we have been deluged since early this morning, and which greatly exceeds the wasting flood of water at Muscle Shoals, can be restrained at once, we shall be able to dispose of the Wadsworth amendment within five minutes after I take my seat.

The Senate is talking itself into disrepute, the country to tears, and necessary legislation to death. It is quite remarkable that so many have not yet learned that—

> In all labor there is profit; but the talk of the lips tendeth only to penury.

* * *

SENATOR COPELAND (N. Y.): The popular idea is that people lived to a ripe age in the olden times because Methuselah lived to be 969 years old. As a matter of fact, in the old days, they did not live long; it only seemed long.

MR. BRUCE: What about the signers of the Declaration of Independence?

MR. COPELAND: Not everybody had the privilege of signing the Declaration of Independence, and the signers represented the survival of the fittest, physically as well as mentally.

* * *

SENATOR NORRIS (Nebr.): I want to say to you, my friends, as a regular of many years standing, that you are occupying a very dangerous position. You are on a precipice. You are about to plunge over into what seems in theory to be a beautiful body of water called the lake of conscientious conviction. You are going to follow, you say, what you believe to be right—obey your conscience.

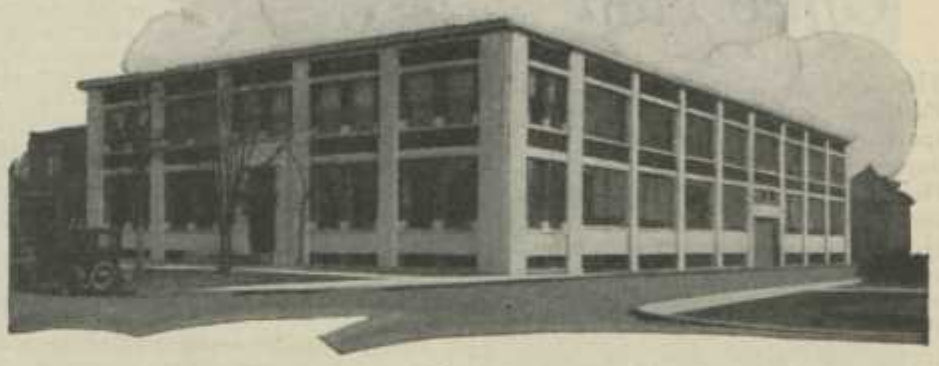
What business, Mr. President, has a senator with a conscientious conviction or a conscience in which to keep it? If, perchance, in your mad plunge to follow your conscience, your feet land upon some solid rock and you get your head above the water, you will realize then, if you do not now, my friends, that the first thing you will do will be to raise your hands in pity and exclaim, "Help me, Cassius, or I sink!"

But, my friends, we will not help you. We will let you sink. . . . That will not be all, my friends. You will be decreed to join the Democratic Party and carry water and other liquid refreshments to the Democratic donkey for the rest of your days.

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Trade Paper Digest

Current Comment in the Business Press

NOT ALL Diesel engines go down to the sea in ships, in spite of the motorship story in a recent issue of the NATION'S BUSINESS. A Diesel engine has been put into railway service in Denmark, and out in Milwaukee they have brought out something new in the shape of a Diesel-driven excavating machine.

The Danish innovation "is the result of comprehensive research work and numerous experiments on the part of two Danish firms," says the *Danish Foreign Office Journal*. "For several years attempts have been made in various countries to apply the Diesel motor to the working of railways, for it has been generally recognized there were great economic advantages to be derived from the utilization of this type of motor for railway purposes."

The Diesel motor, which is placed in the interior of the railway carriage, drives an electric dynamo which generates the current that drives the electro-motors "and these latter are placed on the wheels." The engine is a "6-cylinder, 90-h.p. Diesel motor, which at the trials proved capable of developing as much as 100 h.p.," able to pull a train weight of 80 tons at a speed of 45 kilometers per hour. The fuel consumed is far below that of a steam locomotive of the same power, and even with the present comparatively high price of oil the cost of fuel is only one-fifth that of the steam locomotive."

Denmark looks for the same revolution in railway engines as has occurred on the seas because of the advantages and practicability of the Diesel invention.

The Wisconsin excavator is offered by a company dealing in power-driven equipment. It is described by *American Lumberman* as "provided with a one-cubic-yard struck measure dipper, and can also be equipped with a one-cubic-yard dragline or clamshell bucket operating on a 40-foot boom. . . . It has the advantage of very high thermal efficiency and will burn a cheap grade of fuel oil. The engine is of the mechanical injection type, and is of simple, rugged construction. The crank shaft, wrist pins, bearings, etc., are of extra heavy construction. The speed is very low, reducing vibration to a minimum."

Why 20th Amendment Halts; Various Opinions of Reason

THE PRESS of the country seems fairly agreed that, whatever may be the color of one's indignation on the Child Labor question, opposition to the 20th Amendment is justified. At any rate, such opposition is widespread and interest centers now in the reasons for it.

Farm papers, such as *Stockman and Farmer*, say the disfavor springs from unwillingness "to confer on Congress power to regulate the labor of persons under eighteen years." *The Prairie Farmer* comments in like vein: "The people are not willing to give to Congress sweeping power to regulate and prohibit the labor of all persons under eighteen."

The Rural New Yorker points out that California and Arkansas, the sole states which had at time of writing ratified the amendment, are "also two states wherein farmers seem to conduct roadside fruit stands without watching." Does the journal conclude, therefore, that honesty will ratify constitutional amendments?

The Dearborn Independent feels that "the people are tired of trotting out their Constitution every little while for remodeling." And *Commercial & Financial Chronicle* finds two reasons for the hostility: "One is the sweeping inclusiveness of the proposition; a second objection, in its larger bearings more weighty, is the palpable encroachment of the proposed amendment upon the reserved rights of the states. For the main purpose which the child labor amendment sought to attain, namely, the abolition of discrimination or injustice in the treatment of child labor, there can be nothing but approval. The matter, however, is one for the states and not for the Federal Government to deal with."

The Commonwealth, a review of literary and public affairs, doubts that "the subject is a proper one for federal action," contending that it is rightly open to discussion "whether, whenever a laudable purpose, social, moral or economic, is to be effected, it is well to force it into the organic law of the nation as an amendment to the Constitution. Presently, say some lawyers, the Constitution will become a sort of glorified police code."

Manufacturers Record offers a different quality of hostility in such words as the following: "Furthermore federal bureaus, commissions, councils and advisory boards would be created, at high cost and low efficiency, in charge of childless women and male mollycoddles to take the place of parents, to bedevil the home and to throw the world-old order of things into the indescribable domestic, religious, educational, and industrial, and moral, mental and physical chaos prevailing in Russia."

Mad Hatters and March Wares: "Any-old-hat" Charge Refuted

VARIOUS New York newspapers are said to have run a story recently which has roused the hat manufacturers. The story said the hat business was bad—the hatters admit it. But it also claimed the reason the hat business was bad was because men were indifferent to new hats—considered "any old hat would do." It is this charge which the industry resents.

The Hat Industry takes up the cudgels for the 1925 man: "Today, the average man does not like an old hat any better than he did four or five years ago." It seems, indeed, that wistfully "he would like to wear new hats, he would like to appear well dressed, but he cannot do so and have his luxuries at the same time."

And what are these "luxuries" for which he must pass up the hat? Are they *kist*? Not at all. They are the demands of his family for radios, victrolas, automobiles, and thrice-weekly movies: Something must suffer, explains the journal, and so the father "is usually willing to go along dressed shabbily himself so that he can supposedly give happiness to his wife and children and to those around him."

But the root of the evil is deeper still. The reason pater-familias succumbs is not that he is weak-kneed nor that he is over-indulgent but that these goods are offered on the installment plan and by "high-powered salesmen," who, driving home arguments with plus force, become "a decided menace to the well-being of the community."

The installment peril is real enough for those of us who are at once impressionable and impecunious. The hat trade intends to consider seriously how to counteract the danger, and its aim is "not to sell more hats for the sake of increasing sales, but to make the American man as well dressed as his contemporaries in England, France and other countries of the world. . . ."

"Ket" Catches Clues to Motors: Fabric Bodies, Pygmies, Ads

FOR THE purpose of finding certain minerals needed to make automobiles, Charles F. Kettering, affectionately known as "Ket," took a trip recently to Africa. While he was gone, his associates in the General Motors Research Corp., of which he is president, perfected a



Reproduction from a painting of the estate of Mrs. Harold I. Pratt, Glen Cove, Long Island, by Frank Swift Chase

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process whereby the material he had gone to find could be made at home.

They thought they had the joke on him, but "Ket" came back so full of other ideas that they stopped laughing to listen. Here are some of the things he observed, according to *Automotive Industries*, while he was wandering in Africa and Europe:

"Germany is turning out 1,000 tons a day of nitrogen taken from the air. It is used for fertilizers.

"Small cars have tremendous vogue in Europe. Their popularity here is not near, though coming.

"The British have taken over American advertising methods.

"Fabric bodies are used extensively in France and England.

"Gasoline is the same in England as here, in kind and in price."

And, when he got home:

"The New York show lacked originality; and the home industry complacently thinks the last word in car perfection has been said."

Thinks Chamber Out of Step: Waste Study Is Waste Itself

DO WE *need* "a complete statistical study of distribution?" *The Black Diamond* raises the question because Mr. Hoover at the instance of the Chamber of Commerce of the United States is inaugurating such a study. If so, the journal "would respectfully ask—When? Why? How? At what expense?"

The Black Diamond regards the Chamber of Commerce of the United States as "a large and important body" with directors "of real weight and merit," and by its contacts with government officials "peculiarly able to carry out the work for which it was designed." Moreover, "anything that can reduce the cost of the intermediate handling between producers and consumers—the cost of distribution—will go a long way toward solving the economic problem now affecting the welfare of the nation. This being true, collaboration of the United States Chamber of Commerce with Mr. Hoover and his department is most commendable."

So far so good. But beyond that point the journal leaves us. "We believe most firmly that we already have more fact-finding organizations in the Government than the Government is capable of intelligently using," and a list of some 20 Federal agencies gathering facts on coal—to mention one subject only—follows. "In our opinion such a study . . . would be a greater task than the compilation of the census. . . ."

The opinion is that "The United States Chamber of Commerce has got off on the wrong foot in this matter. There is no need for additional statistical research by the Federal Government. On the contrary, there is crying need for coordination between the existing departments, sections, bureaus and divisions that the same information may not be compiled in a dozen different places and made available to practical use by none." The President leads for economy, and the Chamber is challenged as out of step with him: "Right now is the time for it to reverse its former action and work to a carrying out of the thought of the President rather than for a further adventure into the realms of fact-finding and fact-losing."

The Carver-economy Wall: Here Is the Poor Man's Bungalow

FOUR YEARS ago, a sensation was created in the building industry by the introduction, through the Common Brick Manufacturers Association of America, of "the Ideal wall." This wall required less material and less labor than any type of masonry then proposed.

Now comes another epoch-maker in the industry, the Carver-economy wall.

The Carver-economy wall, designed by William Carver, architect of the Common Brick Manufacturers Association, is described by *Brick and Clay Record* as cheaper in cost than either the solid or the Ideal walls, and, while not designed to supplant either of the others, "will

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meet requirements of certain types of structures in which brick heretofore has never been able to compete successfully," namely, in those low-priced homes for which the family of small resources is eager.

"The best brick construction," says the *Brick and Clay Record*, "still is, as it always has been, the solid wall. Next to that ranks the Ideal wall, and third is the Carver-economy wall. . . . The greatest field for this new wall will undoubtedly be found in the small and cheap one- and two-story bungalows and homes, homes for workers of big industrial establishments which find it necessary to provide living accommodations for their men, better homes in many communities, which for the most part are mere frame shacks forming the worst kind of fire traps, garages, certain types of farm buildings, and other uses where economy is the main consideration."

Carver-economy structures are "placed on top of the foundation wall, built in the ordinary way." And "7 1/3 to 7½ brick per square foot" are required, as against 9 to 10½ for the Ideal walls and 12¾ for solid wall 8 inches thick. It is "a true wall"—not a brick veneer, "has a large factor of safety, is warm and is fire safe." And last but not least, "its cost is far below the cost of any other type of honest masonry." The cost is reckoned at $34.29 per 100 square feet.

Construction of the Carver-economy wall is not complicated. The journal devotes several pages to detailed instructions with photographs and plans. The Bureau of Standards has made fire tests and auxiliary-load tests and reported a "heat resistance equal to that required for the one-hour classification," and "the total load sustained per lineal foot of wall" as about "two-thirds of that sustained by the eight-inch walls."

The American Contractor gives space to description and charts of the new wall, and comments editorially, concluding "The advantages of economy are obvious, and the simplicity of the design is such as to make one wonder why it has never been widely used before."

To Count the Gains in Iowa— Census Will Compute Wealth

OUT IN Iowa, they are going to take a 1925 census, covering population and agriculture, which *Wallaces' Farmer* predicts will be "of more interest probably than any other census ever taken" because from the data gathered it will be possible to find out how much the farmer's status has changed since 1920.

There is also to be a "special agricultural census of the entire United States."

Freight Rates and Farmers; I. C. C. Studies Eastern Roads

CHAGRIN is registered by *Railway Age* over the report of the President's farm commission. "If the recommendations made by the commission regarding freight rates are a sample of what all of its recommendations are going to be its labors will be worse than valueless."

And after detailed criticism, the journal sums up: "Neither the present prices of farm products, the net return the railways are earning nor any other condition offers the slightest justification for the recommendation made by the agricultural commission regarding freight rates on farm products. The conclusions reached by it after a few weeks' consideration are directly contrary to those reached by the Interstate Commerce Commission after constant study of the subject for months and years. Probably the true reason for the difference is that the Interstate Commerce Commission actually has studied the subject, while the agricultural commission has not . . ."

In reviewing grain freight-rate decisions for the year past, *The Price Current-Grain Reporter* finds "that there have been very few instances where rates were raised and a number of cases where they were lowered, although none of the rate decisions involved a change in the whole rate structure of the country." And again, "Instances where railroads themselves have insti-



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tuted action for reduced rates are very rare, but there are numerous cases where the preponderance of evidence was in favor of the shipper and if the carriers had reduced the rate voluntarily with the permission of the Commission, much friction and expense would have been eliminated."

The whole question of freight rates is being inquired into, for the eastern roads, by the Interstate Commerce Commission. Commissioner Mark W. Potter, who was in charge of the investigation, is quoted by *Railway Review* as saying: "What I desire is a picture of the present divisional situation, of the currents of the traffic in the different channels, and the volume thereof, and some information as to how much the revenue of the principal carriers would be affected by changes in divisions to the extent of say 5, 10, 15, or 25 per cent, or by the adoption of a mileage prorate or some different basis. Perhaps it would be desirable for the principal carriers to appoint a committee to compile the information that should be available as a basis for intelligent discussion of the case."

And the journal concludes that "the commission is thus feeling its way into a very large and difficult subject. Moreover as we proceed further into the question of consolidation of the railroads, the matter of divisions will be found to have an important bearing upon the weaker roads. Bird M. Robinson, president of the Short Line Railroad Association, stressed this point before the senate committee last week. This attitude reflects what the executives of many of the short-line roads are thinking about."

Is Radio a Good Investment? Meteoric Rise Breaks Records

THE RADIO business is broadcasting "phenomenal activity," with nothing else of much importance on the air. *The Annalist* says the indications are "that the present production facilities and the proposed expansion for production combined will not be able to keep pace with the demand for radio throughout the greater part of 1925. This will result in exceedingly large profits to well-established radio concerns. The present trend is toward the purchasing of complete radio sets rather than parts for home construction. There is a large and increasing market in foreign countries besides, which has not been considered in arriving at the above conclusion."

There are broadcasting stations "in Argentina, Australia, Brazil, Canada, Cuba, England, France, Germany, Holland, Japan, Porto Rico, Uruguay, South Africa and India." And there is an active growing interest in "China, Mexico and many South American countries. . . ."

All this has happened since 1920, when "few knew anything about the radio." In the United States "there are more than 600 broadcasting stations." The number of sets in use is "estimated at 3,000,000 at least, with increasing demand. Manufacturing concerns number at present about 3,000."

The journal presents a chart showing that "sales have been increased from $2,000,000 in 1920 to $5,000,000 in 1921, $60,000,000 in 1922, $120,000,000 in 1923, while those for 1924 are conservatively estimated between $300,000,000 and $350,000,000." There is now "one radio set to every eight homes in the United States, as compared with one automobile for every two homes and one phonograph for every two and two-third persons."

It certainly looks as though the radio business might be counted upon. But it is still a matter of uncertainty, thinks *Commerce and Finance*, in an article entitled "Radio, Speculation of the Age": "Without exaggeration it may be said that some time a man may sit in his home on a Kansas prairie and see and hear a lion hunt in South Africa, if he so wishes. But will he wish it? And wish it sufficiently to pay for it?" It is just here, thinks the journal, that the present speculation of the industry lies.

Patents are being developed, which will make it impossible for the ordinary home-grown radio to pick up certain desirable entertainment. And "'scrambled' radio waves, which can not be unravelled without the aid of a key instrument, have already been invented with this purpose in mind. It is hinted that the American Telephone and Telegraph Co. has such a device, and that this company is now cooperating with the Victor Talking Machine Co. in broadcasting opera-star programs in order to test out the market for such a service." Such development would soon precipitate an answer to the question offered above, Will we want it—and enough to pay for it?

Columbia and Colombia Enjoy Airplane Post; Trucks Help

EVERY day the airplane mail leaves New York for Chicago, Cheyenne, and San Francisco, and reverse. There are 74 mail planes "in constant flying condition," says *Motor Transport*, and performance was adjudged "95.75 per cent perfect for the entire year."

Approximately 20,000 letters, parcels and packages a day are carried, mostly sent by business houses: "Banks, manufacturers, jobbers, exporters, every organization conducting nation-wide business, are to be found among the patrons of the Air Mail."

The motor truck is a very important adjunct to the plane, in making air service possible.

When a plane lands, it must be met by a motor truck for servicing and transportation. "A fleet of 75 trucks distributed along the air route which extends from New York to San Francisco, a distance of 2,722 miles, is maintained as a necessary auxiliary. . . . To the major fields from one to three trucks are assigned."

Proud of our air mail we are, and well we may be. But it is, of course, not the only one in the world. It is not even the only one in the western world. In South America, for example, the country of Colombia has also a regular airmail service. Flight is made "twice a week each way from Barranquilla to Girardot," says *The Colombian Review*, "and vice versa (625 miles each way), making connections with the steamers to and from the United States," and taking 7½ hours. Passengers as well as postal matter are carried by this service, hydroplanes being used. Charges are somewhat higher than in the United States.

Crystal Copper May Yet Be A Triumph for Research

COPPER, in contrast with steel, has always been staid, even, untemperamental.

"Electric steel," says *Electrical World*, "presents a wide range of magnetic properties. . . . Copper, on the other hand, shows little or no variation, is used for one property only over a wide field of application, and long years of acquaintance with it and attention to its refinement have resulted in improving its conductivity only a fraction of 1 per cent."

But now laboratory production of a crystal form of copper means keeping up with copper in the future. The journal announces that with the arrival of copper crystals the metal offers "a conductivity 13 per cent greater than present standard values, and so greater than that of silver."

The crystals produced by Dr. W. P. Davey of the General Electric Company were "6 inches long by 1 inch in diameter, the method being slow heating and cooling in the electric furnace." Getting the crystal form is the big achievement, and the possibility of doing it was first shown by Prof. Bridgeman, of Harvard.

Crystal copper does interesting things: "It can be bent without effort, but it cannot be straightened again." While in the crystal state its increased conductivity is manifest, but when hammered it is metamorphosed into plain ordinary copper again and regains its low conduct status.

Because of this sensitivity and capacity for change, it is unlikely that the new copper will figure commercially for some time to come. "All accounts indicate that crystal copper is extremely sensitive to working or handling of any kind, and this would seem to preclude its use in manufacture. But naturally we shall wait expectantly for the results of the further study and control of the properties of 'supercopper.'"

SALES COST cut 50% BY TELEPHONE



A HUSTLING fruit and produce house of Atlanta found selling cost too high—and they found the remedy. They needed more frequent visits with their customers, and got them. They wanted to cover a bigger territory, and did so. With seventy-five long distance telephone solicitations a day to customers and prospects, a 1600% increase in telephoning, they rapidly extended distribution, increased business, and slashed sales cost in half.

The long distance telephone is making similar records today for thousands of concerns in hundreds of lines of business. Salesmen are covering bigger territories by telephoning to customers they otherwise could not reach. Long trips are saved, appointments and solicitations made, and goods sold by telephone. Customers are pleased. They place their orders more quickly and are assured of quicker delivery. The telephone is a great factor in buying, as in selling, and it is a powerful tool in collections. It is saving millions of dollars annually for American business men.

Are you using the economy of the telephone in your business as you should? Are your present telephone facilities adequate, or properly arranged and distributed? Are you using an outgrown operating system, and are your employees trained in telephone use? The telephone question is the important one today, in any business institution.

Your concern, by calling the local Bell company, can have the Commercial Department make a study of the telephone in your business. In the meantime don't wait but save by long distance. The telephone on your desk connects with the man or concern a thousand miles away just as it does with the office in the next block. Day or night—now—it is ready to put you in communication with the man you want. *Number, please?*

BELL LONG DISTANCE SERVICE

When writing to American Telephone & Telegraph Company and Associated Companies please mention Nation's Business



York, "the walled city of great antiquity"
On the London
and North Eastern Railway

Finest and Fastest from Brussels to Britain

It's via Antwerp and Harwich on the palatial ships of the London and North Eastern Railway—thence by rail to London or any point on the historic side of Britain.

Travel through the wooded hills and green meadows of Middlesex and Hertfordshire; the land of the Pilgrims, where the American Nation was conceived; the Yorkshire Moors and Dales; the Northumberland Fells; into the wild beauty of the Scottish Highlands.

See the interesting, scenic side of Britain—the eastern side—the country richer in cathedrals, abbeys, and historic remains than any other in England and Scotland.

After the general meeting in Brussels make your trip through Britain a "LONDON NORTH-EASTERN" tour. Save time and money, and still see everything that matters.

Let the "LONDON NORTH-EASTERN" American representative plan the details for you. Intensely interesting illustrated booklets for the asking. Communicate with

H. J. KETCHAM, GENERAL AGENT
London & North Eastern Railway
311 Fifth Avenue, New York

LONDON AND NORTH EASTERN RAILWAY

OF ENGLAND AND SCOTLAND

Recent Federal Trade Cases

COMBINATION and cooperation in suppressing competition in price in the shoe-finding and shoe-repair service to the public are practiced, says the Commission, by a national leather and shoe-finding association of St. Louis, which includes more than 300 manufacturers and wholesalers of leather commodities, and several associations with local affiliations in cities throughout the United States. By way of putting its foot down, the Commission has issued a complaint.

The associations, the complaint says, organized their combination on the contention that the only regular and legitimate channel of distribution is from the manufacturer through wholesale dealers to the shoe repairers. The associations, the complaint says, have classed as legitimate dealers entitled to a place in the chain of distribution only those wholesalers and shoe repairers who sell findings at prices which the associations regard as sufficiently high to insure a satisfactory profit.

THIS article outlines some of the charges, findings and orders issued by the Commission in consideration of complaints proceeding from trade practices in connection with:

Beet Pulp	Hats
Books	Lace
Chamois, Sponges	Mahogany, Pine
Coffee	Motor Trucks
Correspondence School	Razor-blade Stroppers
Feather Beds, Pillows	Shoe Findings
Fountain Pens	Silk

PRICE juggling to quicken the flow of fountain-pen sales is seen by the Commission in the practice of a Los Angeles wholesaler. Charges have been made that the wholesaler provides customers with advertising matter describing pens bearing purported regular retail prices. These prices, the complaint says, are fictitious and exaggerated and are greatly in excess of the real value and of the prices at which the wholesaler and its customers expect and regularly do sell the pens. The complaint also alleges that the wholesaler supplies to its customers coupons which state that for one day only they will be accepted as part payment in the purchase of the wholesaler's pens, thus falsely representing, the Commission contends, that the pens would be sold for a limited time at a considerable reduction.

A further allegation in this complaint is that the wholesaler causes some of the pens it distributes, which are not made of gold or a considerable quantity of gold, to be stamped with the inscription "14K," a practice, the Commission says, giving the erroneous impression to prospective buyers that the pens so marked are 14K gold.

The practices cited in the complaint, the Commission asserts, deceive the public and are unfair to competitors who truthfully label their goods.

SHARP practice in the marketing of razor-blade stroppers is indicated in charges against a St. Louis company. The company, the complaint says, has given money to salesmen without the knowledge of their employers to induce the salesmen to sell the company's product to the exclusion of the products of competitors. This practice, contends the Commission, unfairly diverts trade from competitors and misleads and deceives the public as to the relative merits of competitors' products, thereby destroying the advantage of competition in quality and price to which the public is entitled.

MOTOR trucks sold to foreign buyers were misrepresented and the terms of contracts were not kept by the sellers, asserts the Commission in a complaint against several companies and their officers located in Long Island City, Brooklyn and New York. The practices said to have been used in the companies' business with foreign customers include the making of contracts in which were many alleged false and misleading statements, and the failure to provide, according to contract, automobiles with left-hand drive instead of right-hand drive, required by the law of the road in some foreign countries.

All of the acts charged against the companies and their officers are not only injurious to the private interests affected but are calculated to bring discredit and loss of business to American manufacturers seeking foreign trade, the Commission says.

MAHOGANY is more than surface deep, suggests the Commission in questioning representations of a St. Louis lumber company. The company deals in lumber which it sells to manufacturers of furniture and cabinet work throughout the United States. The complaint alleges that the company represented lumber to be "mahogany" and "Laulan mahogany" when the lumber was not mahogany, although it did resemble mahogany. The alleged misrepresentations, the Commission contends, eventually caused consumers to buy furniture made of the company's lumber in the mistaken belief that the furniture was constructed of mahogany.

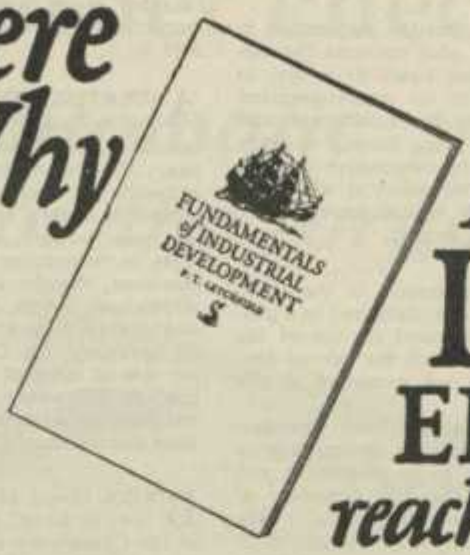
Five western lumber companies, in separate complaints issued by the Commission, are charged with advertising and selling in different states Western Yellow Pine or Western Soft Pine as and for Western White Pine. The complaints say that since colonial times White Pine has been in great and constant demand by contractors, builders and the public because of its ease of working and remarkable endurance as a structural wood, especially for outside use, and that it has always commanded and now commands a substantially higher price than yellow or soft pine.

Because of the close resemblance between Western Yellow Pine and Western White Pine only an expert can distinguish them, the complaint says. When the companies marketed yellow or soft pine under the designation of Western White Pine, many lumber dealers and the public, the Commission contends, were caused to buy in the belief that the lumber was white pine manufactured from the tree "Pinus Strobus."

UNFAIR competition in connection with a resale price plan is charged by the Commission against a hat manufacturing company of Philadelphia. Among the alleged methods used by the company to prevent retail dealers from reselling its products at prices less than those established are: The company obtains from dealers selling its hats information on the failure of retailers to observe and maintain the set resale prices; the company uses the information thus obtained, and also information received from its salesmen and other agents, to induce and coerce "offending" dealers to observe its prices by exacting promises that the dealers will in the future maintain the established prices; the company refuses further to supply dealers selling below its prices unless the dealers give satisfactory assurance that they will observe and maintain the set prices.

A CALIFORNIA corporation, with its office in San Francisco, is required by the Commission to discontinue certain practices related to the corporation's alleged plan for maintaining resale prices for its coffee. The findings of the Commission explain in detail the corporation's methods of marketing its coffee throughout the United States and disclose that the corporation has about

Where & Why



AMERICAN LABOR EFFICIENCY *reaches its maximum*

The story of existing labor conditions in San Francisco is one that every manufacturer in America should read.

It is discussed impartially, scientifically, in the monograph, "Fundamentals of Industrial Development," which relates to industry in the East, Middle West, Mountain States and the Pacific Coast. You, as a manufacturer, will be interested in knowing how labor efficiency in many lines reaches its maximum in San Francisco, and why labor turnover is low.

National and regional markets and how to reach them, transportation advantages, raw materials, and present-day labor conditions—all are concisely mapped in this brief monograph, sent free on request. Wherever you now are, you will profit by reading this clear-cut presentation of today's industrial situation.

Write on your letterhead for "Fundamentals of Industrial Development"—or have your secretary clip and send in this coupon. Address

Present-day problems of the national manufacturer and distributor are reduced to their scientific essentials, basic to all industries, in F. T. Letchfield's clear and authoritative monograph, *"Fundamentals of Industrial Development,"* sent on request.

San Francisco THE COMMERCIAL *and* INDUSTRIAL CAPITAL *of the* PACIFIC COAST

Californians Inc.
140 MONTGOMERY ST.
ROOM 803
HEADQUARTERS
SAN FRANCISCO

Send me "Fundamentals of Industrial Development"

Name _____

Business _____ Firm Name _____

Address _____



Courtesy Lawrie & Green, Architects, Harrisburg, Pa.

Does Your Town Need A New Hotel?

Hanover's new hotel really originated in the mind of one man—a civic leader of Hanover.

The foresight of this one man will result in the building of a hotel, the appointments of which would do credit to a city of 100,000. Yet Hanover has but 10,000 population.

The financing of this modern hotel was accomplished in ten days' time when $354,600 in securities were sold.

Why can't YOUR town do as well as Hanover? It CAN—if it has a civic leader with sufficient foresight!

If your town needs more modern hotel facilities, ask us to place your name on our complimentary list "C-4" to receive each month a copy of THE HOTEL FINANCIALIST, a journal devoted to the subject of community hotel finance. There's no obligation entailed.

The HOCKENBURY SYSTEM Inc.
Penn-Harris Trust Bldg
HARRISBURG-PENNA

25,000 customers, almost half of whom are outside of California, principally in the states of Washington, Oregon, Montana, Idaho, Utah, Colorado, Arizona, New Mexico, Nevada, Wyoming and Missouri.

The Commission found that the corporation in enforcing its alleged price plan operated through its salesmen, and sometimes based its refusal to sell its products to retailers on reports received from customers. The order is comprehensive and prohibits the corporation from directly or indirectly carrying into effect by cooperative methods a system of minimum resale prices at which the products manufactured by it shall be resold by its distributors and retail dealers.

ALL IS not silk that shimmers in the Commission's eyes. In a complaint and in a prohibitory order it has condemned the use of the word "silk" in connection with the sale of textiles which, it holds, are not composed of silk in whole or in part.

In a complaint against a New York manufacturer of textiles, the Commission charges that in the advertisement and sale of its products it uses misleading phrases, as "The Silk Sensation of 1923," "Queen of Knitted Silk Fabrics," "The Textile of the Newest and Most Delightful of Knitted Silk," which the Commission believes have the tendency to create the impression that the company's products are made in whole or in part of silk.

In a case against a Chicago corporation the Commission found, it reports, that the corporation advertised and sold a fabric composed of a mixture of cotton and an animal or vegetable fiber which contained no true silk, but which is finished so that it has a silk-like appearance. This fabric, the findings say, was designated and described by the terms "Novelty Silks" and "Puritan Silks," without any accompanying word indicating the character, kind or grade of material used in its manufacture. The corporation's method of designating its product, the Commission says, misleads and deceives the public by creating the erroneous belief that the fabric so labeled is made in whole or in part from silk from the silk worm.

THE HEAD of a Chicago correspondence school of mechanical drafting has been ordered by the Commission to discontinue some representations in its advertising on the ground that the advertisements constitute unfair competition. Among the representations which came under the Commission ban are:

That the head of the school was then chief draftsman in the Engineers Equipment Company and employed mechanical draftsmen in that company under his supervision—the fact was, according to the Commission, that he acted as consulting engineer and used the trade name "Engineers Equipment Company," which has been inactive since 1920; that the school would provide a valuable course of instruction, qualifying the pupils as proficient mechanical draftsmen capable of earning $250 or more a month—but the Commission found, it reports, that few pupils were able to obtain a salary so high, the salaries, when employment was found, being at much less than $250 a month.

A MILLING company of Detroit and seventeen manufacturers of beet sugar are charged by the Commission with using unfair methods of competition in the marketing of beet pulp, a by-product of beet-sugar manufacturing. The complaint in this case alleges that the milling company and the manufacturers are engaged in a wrongful combination and conspiracy to suppress competition in the distribution and sale of beet pulp in interstate commerce.

The complaint describes the methods said to have been used in putting the alleged conspiracy into effect. Among these methods, as given in the complaint, are: The manufacturers cited enter into contracts with the milling company, giving it exclusive right of selling all beet pulp produced by the manufacturers each season, except a small supply held for local distribution; the milling company, acting on information received from the manufacturers as to the quantity of beet pulp on hand withdraws beet pulp from the market in certain localities and pushes the sale in other places, and otherwise manipulates the market to obtain high prices for all the beet pulp sold by it.

ADVERTISEMENTS to sell feather beds and pillows are not taken lightly by the Commission. In a case against a Nashville company, the Commission discovered, it says, that although the company does not own, operate or control a factory in which products sold by it are manufactured, it nevertheless falsely represents in advertising that it sells direct to the consumer, thereby eliminating the profit of the middleman. Also, products of the same grade and quality were given different trade names by the company, the Commission says, and offered for sale at different prices. These practices are held to be unfair competition by the Commission, and an order has been issued to require their discontinuance.

BOOKS bound in cloth should not be advertised as bound in limp leather is the position of the Commission in a complaint against a New York publisher. The case relates to the exploitation of a series of books published under the name of "Modern Library." The books in this series, according to the Commission, are bound in a cloth binding simulating leather in texture and appearance, but in which no leather is used, the Commission contends. In the advertisement and sale of the books, the complaint charges, the publisher says that "Modern Library volumes are bound by hand in limp leather" and "All the books in the Modern Library are hand bound in flexible style." This manner of designating the binding of the books, asserts the Commission, misleads and deceives the trade and public and creates the erroneous belief that the books are bound in leather.

THE COMMISSION can't see any Irish in lace made in China, and so it has asked several importers to explain their use of the word "Irish" in alleged selling of Chinese lace to garment manufacturers in the United States.

To pick up the thread of the complaint, the Commission says that the lace imported from China by the dealers cited, closely resembles Irish lace in pattern, design and general appearance, but that it is inferior in quality and value, and has for many years been sold and now is sold at prices much lower than the prices for genuine Irish lace. The Chinese lace imported by the dealers cited in the complaints, it is charged, is designated in their price lists, circulars, invoices, and other trade statements, and is offered for sale and sold under trade names which include the word "Irish." This practice, the Commission says, places in the hands of manufacturers buying the lace the means of committing a fraud upon retail dealers and the public, and causes a considerable number of tradesmen and consumers to buy the lace products of the dealers cited in the mistaken belief that it is of Irish origin.

LEGENDS on the business stationery and in the advertising matter of a New Orleans dealer in chamois leather and sponges do not accord with the facts, the Commission charges. In its complaint against the dealer, the Commission refers to several legends, among them: "Chamois Tanneries, Gretna, La.; Chalmetter, La.," and "Operators of the Famous Spanish Main and Treasure Trove Sponge Fishing Fleets," and "Sponge Ports: Batabano, Cuba; Tarpon Springs, Fla."

These legends, the Commission says, are false in that the dealer neither owns nor operates any plant for the manufacture of chamois leather, nor any vessel engaged in sponge fishing; and the statements mislead and deceive the public into the belief that persons buying of the dealer named obtain greater advantages in quality and price than can be obtained from dealers who buy the chamois leather and sponges which they sell.

No other check has this . . .

automatic snare for the forger!



The TODD-GREENBAC

NO OTHER check, in complexity of printed surfaces and restrictions surrounding sale, approaches the positive protection of the Todd-Greenbac!

Counterfeiting of a Todd-Greenbac check is impossible because of the complicated and intricate dot pattern covering the complete surface.

Alteration of payee's name, date and number are impossible because the first touch of the acid eradicator wipes out the surface design and causes the word "void" to flash from beneath.

Todd-Greenbac paper is never sold in blank. The manufactured checks are sold only to bona fide bank depositors. They are printed or lithographed only to their order —the handsomest check on the market as well as the most secure!

Todd-Greenbacs, produced by bank-note processes and safeguarded like money, are no more expensive than ordinary checks produced by old-fashioned methods.

For the sheer good impression they make—for the business security and peace of mind they bring—use Todd-Greenbac checks and write for detailed information on the complete Todd System of Check Protection! Please use your letterhead. The Todd Company, 1174 University Ave., Rochester, N. Y. *Sole makers of the Protectograph and Todd Checks.*



The Protectograph, it is estimated, eliminates at least one-third of all check frauds by preventing *raised amounts.* The Protectograph is made in a variety of standard models, one for every type of business, priced from $37.50 up.

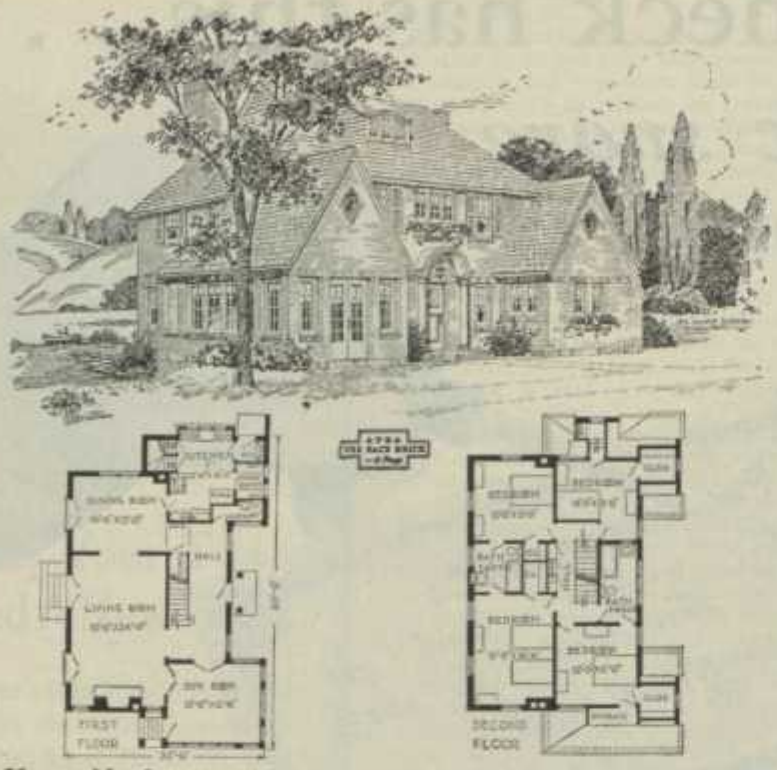


Todd Greenbac Checks, with their patented self-cancelling features, eliminate another one-third of possible check losses by preventing *change of payee's name, date* and *number* and *"counterfeiting."* Todd Greenbac Checks are designed for business and personal use. They are reasonable in price—even in small quantities.



Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, *forgery of signature* and *forgery of endorsement.* Qualified Todd users receive standard policies at the most advantageous discounts.

TODD SYSTEM OF CHECK PROTECTION



HOUSE NO. 805 *Designed for the Service Department, American Face Brick Association*

This attractive house illustrates the character of the designs shown in our "Face Brick Bungalow and Small House Plans."

Think Before You Build

TO most people a home means an investment for a lifetime. A misstep is a serious matter. That is why it is worth while to think before you build.

Many learn too late that they might have had the beauty and the permanence of a Face Brick house at an actual saving over a period of years. But each year—as home-builders appreciate more the relation of depreciation, up-keep, repairs, painting and fuel costs to home-owning—the number of Face Brick houses increases.

Booklets You Ought to Have:

"The Story of Brick" is, as one reader says, "a liberal education in home-building." It gives just the information the prospective builder wants. Sent free.

"Face Brick Bungalow and Small House Plans" in four booklets, showing respectively 3 to 4-room, 5-room, 6-room, and 7 to 8-room houses, in all 104. Unusual and distinctive designs combined with convenient interiors. Any one booklet, 25 cents. The entire set, one dollar.

"The Home of Beauty" shows fifty two-story six-room houses selected from 350 designs submitted by architects in a nation-wide competition. Sent for 50 cents.

"The Home Fires," a most attractive fireplace book, with many designs, gives full directions for fireplace construction. Sent for 25 cents.

"A New House for the Old," will tell you all about restoring an old house with a beautiful, permanent overcoat of Face Brick. Sent free.

Address, American Face Brick Ass'n, 1730 Peoples Life Bldg., Chicago, Ill.

News of Organized Business

OUTSTANDING in the work of the National Retail Dry Goods Association at its convention in New York City was its recommendation for the incorporation of an "American Retail Foundation," which would, directly and through existing agencies, "aid research, organize and distribute knowledge and in all ways help improve and promote retail distribution."

The recommendation signifies a readiness of the members of the Association to apply scientific and professional methods in meeting their common difficulties, and it accords with the interest of the National Chamber in developing a systematic and organized approach to problems of retail distribution.

The convention by resolution also approved the development of the Retailers' National Council and the raising of a fund for an office in Washington, D. C.; approved the efforts to educate consumers to greater appreciation of products "Made in the U. S. A."; opposed further extension of government, not absolutely necessary, into the affairs and business of citizens; disapproved the Vestal bill which would require the copyright registration of designs; approved the position of the National Chamber on the revision of postal rates; and petitioned the Congress to authorize the Senate Finance Committee and the House Ways and Means Committee to hold hearings in Washington on the tax situation.

Industrial Growth Interests Cities

A SURVEY of Cincinnati and its environs is to be undertaken at the initiative of the chamber. The results of the survey will be used in making a plan for the city's industrial development and business expansion, and it is expected that it will disclose what new industries are needed or can best be supported, what should be done to assure better industrial plants, how the city can best make known its opportunities and facilities for industrial enterprises, and what the chamber can do in cooperation with other organizations toward developing a better organized, more efficient and more prosperous community.

Woodworking plants outside of Newcastle, Indiana, have interested the chamber there which believes the city is in favorable economic position to support woodworking industries. The chamber's belief is based on an industrial survey of the city made three years ago. Woodworking plants which the chamber believed were not economically located in other cities were listed, and correspondence was begun to interest their owners in moving the plants to Newcastle. Through its representations the chamber succeeded in obtaining a $350,000 woodworking plant.

The city of New Brunswick, New Jersey, has appointed an industrial solicitor to bring in new industries. He is paid by the city.

Brick Thicknesses and Pavements

A STUDY of the possibilities of 2½-inch brick in pavements designed for light and medium traffic has been authorized by the National Paving Brick Manufacturers Association on the recommendations of paving engineers who addressed the Association's convention at St. Louis.

According to the engineers, the change from steel-tired to rubber-tired traffic has reduced the abrasive wear on all highway pavement surfaces to a negligible factor in most parts of the United States. As highway engineering developed, the engineers explained, a considerable group of engineers became convinced that the weight of traffic was borne by the sub-grade. Dry and stable sub-grades never failed to carry the load satisfactorily, and all that was needed on such a sub-grade was a surface that would resist abrasion and conform to sub-grade movement.

Engineers of that belief now hold that the

sub-grade should be stabilized as much as possible to reduce capillary moisture, and that artificial bases of comparatively inexpensive materials may be used, provided the protecting surface will withstand abrasive wear. With the development of engineering thought has come a belief that a vitrified paving-brick surfaces of 3, 3½, or 4 inches may be too thick, heavy and expensive to meet the conditions of present-day traffic when other phases of the design have been properly considered.

Veteran Workers Are Honored

TO HONOR veteran employes of Queensboro firms, and to develop closer relationship between the men and their employers the Queensboro chamber gave an "Old-Time Employes" dinner at the Hotel Pennsylvania in New York City. Henry Kraemer, cashier of the College Point office of the American Hard Rubber Company, received a gold watch in recognition of his continuous service of 56 years 8 months and 24 days.

The three hundred guests were addressed by James J. Davis, Secretary of Labor, who was the principal speaker. Isaac R. Stewart, president of the Anchor Cap and Closure Company of Long Island City, presided.

Ads Bring 116 New Enterprises

A COMMUNITY advertising campaign in one year brought 116 new business enterprises and 585 new families to Greensboro, North Carolina. The chamber raised $12,000. The results of the first year's campaign decided the chamber to continue the advertising two more years, thereby assuring continuous publicity for three years. Believing that the results of the first year's campaign were so obviously beneficial as to justify increased contributions without the need of using intensive solicitation, says the *Southern Secretary*,

> the chamber asked all old subscribers to give 25 per cent more for an additional two years. The response was remarkable. There has been no drive, no red fire, bands, or spellbinding. Instead of sending "Mohammed to the Mountain," we have invited the "Mountain to Mohammed," and so far they have come to the tune of $22,000. Only one former subscriber has declined to renew. All but a few have increased their pledges. With our program already financed by former subscribers, others who have not heretofore participated will be invited to a thirty-minute business meeting at which the attempt will be made to "Make it $30,000 in thirty minutes."

A Campaign for Better Packing

REPRESENTATIVES of five important retail trade organizations have pledged support to the National Retail Dry Goods Association in its campaign to effect savings in distribution costs by means of more economical packing and shipping of merchandise. The organizations that pledged support to the campaign through representatives are: National Association of Retail Clothiers and Furnishers, American National Retail Jewelers Association, New York State Association of Retail Grocers, National Garment Retailers Association, and the National Retail Hardware Association.

"The efforts of the Committee on Standardization of Supplies of the National Retail Dry Goods Association," said George K. Batt, of R. H. Macy & Company, chairman of the committee, "are directed to the discovery of the most economical methods of packing merchandise for shipment. On practically all shipments, the retailer pays the freight or express charged. The original shipper, under these conditions, is careless in many cases about the type of containers used for packing merchandise. Heavy wooden cases are used where lighter ones would serve, and in hundreds of instances wood boxes are employed when fiber cartons would carry the merchandise at substantial savings.

"The committee feels also that there are numerous opportunities for savings through stand-

The Mayflower
Connecticut Avenue

Home of the Leaders in Statecraft Diplomacy, Finance and Industry



Four Short Squares from New Home of U. S. Chamber of Commerce

BUSINESS MEN who are planning to attend the annual meeting of the Chamber of Commerce of the United States, in May, will enjoy the maximum of comfort at The Mayflower, Washington's newest and finest hotel. Early reservations will enable the management to give a more satisfactory grouping of rooms for delegations.

Telephone Main 9800 — Washington — Cable Address Mayflower

Business—
National Or Worldwide

Whether the activities of a business are of national or international proportions, the services of The Bank of America operate with effectiveness. These services are based on 113 years of business banking in the nation's metropolis.

THE BANK OF AMERICA
ESTABLISHED 1812
44 Wall Street, New York
Trust Department Organized 1888

When writing to The Mayflower Hotel *and* The Bank of America *please mention Nation's Business*

CONDITION



Counterfeit health.

That's what the barber puts into your cheeks with his massage, his hot towels, and his cosmetics, but the barber doesn't go far enough. He gives your *face* a workout, gives you for a fleeting period the ruddy glow of health. A counterfeit health.

But what about the rest of your body? If you were in that state known to athletes as "condition" your barber would be less insistent with his suggestion of "a few hot towels, sir, to make you look fresh." Even the barber, though, cannot fix dark, wrinkled circles about the eyes.

At Brown's physical training farm men regain their old time vigor through the common sense methods by which the trainers of athletes condition their charges. Write for Bill Brown's booklet, "Condition."

BILL BROWN'S FARM

FOR PHYSICAL TRAINING

GARRISON • NEW YORK



THE GLEN SPRINGS

WATKINS GLEN, N. Y.
ON SENECA LAKE
Wm. E. Leffingwell, President

A Health Resort and Hotel with complete facilities for the treatment of heart, circulatory, digestive and nervous disorders. Valuable mineral springs—highly radio-active. Baths under specialized medical direction.

Golf and other outdoor sports

Illustrated booklets on request.

"PHONE" *without being overheard*



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Holds secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. *Sent postpaid for $1.00.*

N. B. COLYTT LABORATORIES
563 W. Washington Street, CHICAGO, ILL.

ardization of wrapping and packing supplies in retail stores. Its work will include a thorough study of this situation, and recommendations for definite standards probably will be made after the investigation is completed."

The campaign is to include an exhibit to demonstrate the possibilities of savings in the cost of packing and in freight rates. Extravagant methods now used by many shippers will be demonstrated, and they will be shown methods which are more practical and less expensive in the use of materials, in bulk and in weight.

Mining Bureau to Serve Manitoba

THE WINNIPEG BOARD OF TRADE has organized a Mining Bureau as a branch of its activities. The Bureau is intended to serve four major purposes:

First, it will give those interested in mining in the Province of Manitoba an opportunity to meet and discuss development problems.

Second, through reports and mineral displays, it will bring the citizens of Winnipeg in closer contact with the development that is taking place adjacent to the city, and will thus awaken a new interest in the mining possibilities of the Province.

Third, it will collect information regarding the development of other mining fields to ascertain how, by legislation and otherwise, it may protect the good name of Manitoba from harmful exploitation, and encourage development along sound lines.

Fourth, by preparation of data of a reliable nature it will endeavor to give authentic information to the investing public and to suppress inaccurate reports regarding mining development in the Province of Manitoba.

Trade Tips for Retail Grocers

ATTRACT the trade with attractive stores, says the Utah-Idaho Wholesale Grocers' Association, in its campaign to educate retailers of the two states to better operation of their stores. The Association has prepared a series of pamphlets for distribution by its members. Each one of the wholesale grocers in the Association sends out one number of the series every two weeks. One of the pamphlets counsels the retailers to "Put on a good front. Paint up! Clean up! Keep it up!"

Other characteristic recommendations are:

Study the art of color in display. . . . Tie up with the seasons, the holidays, and events of local interest.

• • •

Know how to make your store attractive. Make it the bright spot in town. Like moths, people fly to the light. . . . Extend your clean-sweep to the store room, the basement, the bins, your whole establishment. Make neat your counters; rearrange your displays.

• • •

Bring out your gay packages, colorful tins and fruits with their glow of bounty and health. It doesn't take an artist to make a fetching display with these.

• • •

Don't make the customer play hide-and-seek; don't play it yourself. Know where every article is located. Have it within handy reach. Result—more sales made, more steps saved. . . . Nobody wants to buy food from a dirty store. Business is dull on dingy row.

Conference on York-Antwerp Rules

AT THE request of shipping interests a conference of representative American shipowners and operators, marine insurance underwriters, exporters and importers was called by the Chamber of Commerce of the United States to meet in Washington, March 19, to consider the York-Antwerp Rules for the settlement of losses of cargoes jettisoned while vessels are in peril at sea.

The Fleet Corporation and Department of Commerce were also to be represented. The American Branch of the International Law Association, which took the initiative in revision of the rules, was to designate a chairman.

The purpose of the York-Antwerp Rules is the fixing of a uniform basis or general average of losses to be borne by those having an interest in a ship or its cargo. They are intended to take the place of the involved conditions that were formerly oftentimes laid down by individual shipping companies in their ocean vessels' bills of lading.

"General average" has always been recognized in maritime commerce. General rules were first formulated at York in the sixties. These were revised later at Antwerp in 1890, and have since been known as the York-Antwerp Rules. The latest revision was made by the International Law Association on recommendation of a conference in London of shipping men representing practically all the maritime countries. The rules as revised have been formally adopted by the shipping and underwriting interests of several foreign countries.

The question considered at the conference in Washington was: Whether the revised rules shall be approved by American maritime and exporting interests as a basis for the adjustment of maritime losses.

New Home for Scranton Chamber

THE NEW home for the chamber at Scranton, designed by Edward Langley, is in process of construction. The foundation was completed and ready for the steel erection by the end of January. More than $700,000 was raised for the building fund in a drive organized by L. A. Watres, now serving his fourth term as president of the chamber.

The building is located in the heart of the business part of the city, and is to be five stories high on a lot 150 feet long by 80 feet wide. Indiana limestone and marble are to be used in the construction. The main foyer will accommodate large assemblies, and the assembly room will seat six hundred persons. Provision is made for a large main dining hall and for four smaller connecting dining rooms. The club and library room is to be 80 feet long and 30 feet wide. Space is available for forty-eight offices and six stores.

A pipe organ, valued at $50,000, is to be a feature of the building. The organ is the gift of President Watres. It is being designed and built by Charles M. Courboin, a Belgian organist.

The chamber is to make a drive for members in April, with the expectation of adding four thousand new names to the rolls. John H. Brooks, a former president of the chamber, is to be the chairman of the drive.

Nine-Months' Exports Show Gains

LED by unmanufactured cotton, which took a strong upward turn in August, automobiles, and petroleum, a large majority of the principal commodities—31 of 50—exported from the United States during the first nine months of 1924 showed increased values over the shipments abroad during the corresponding period of 1923, says a review made by the Foreign Commerce Department of the National Chamber.

The Department's review discloses that all the grand divisions, except North America, have continued to buy from the United States in greater amounts than in 1923, Europe taking a larger proportion of the total exports than a year ago. In North America even the increased purchases of Cuba and Mexico have not offset the decreased buying of Canada, and the continent shows a loss of 5.4 per cent, according to the review.

Exports from the United States for the first nine months of 1924 amounted to $3,124,782,000, an increase of $184,637,000, or 6.3 per cent above the value of exports for the corresponding period of 1923. Imports for the same period amounted to $2,670,933,000, a decrease of $233,204,000, or 8 per cent below the value of imports for the first nine months of 1923.

The excess of exports, or so-called "favorable balance of trade," amounted to $453,849,000 for nine months, almost double the balance at the end of June. The excess of imports of gold and silver for the period amounted to $234,750,000, leaving an excess of visible exports amounting to $219,099,000.

A downward trend is discernible in the

The Test of Advertising is Results; The Proof of Results is Repetition

Year after year successful advertisers who do business in Chicago place the preponderance of their advertising in The Chicago Daily News, pointing the way to new advertisers.

Each year The Daily News prints a greater *volume* of display advertising than any other daily or Sunday newspaper in Chicago,* and a greater *number* of classified advertisements than any other daily or Sunday newspaper in Chicago. Why?

Because it brings results to the advertiser. And it brings results because its 400,000 circulation comprises the great majority of financially competent households of Chicago, and it enjoys the interest and confidence of its approximately 1,200,000 daily readers.

THE CHICAGO DAILY NEWS

First in Chicago

*In the year 1924 The Daily News printed 15,099,486 agate lines of display advertising, a greater volume of advertising than was ever before carried by any Chicago daily newspaper in any year, and 3,325,087 lines more than were carried by its nearest competitor in the daily field—a morning newspaper.

When writing to The Chicago Daily News *please mention Nation's Business*



"When I went abroad last summer"

so begins a letter from a business man who made his first trip to Europe last year.

"I carried an ETC Letter of Credit, largely because I was a depositor of The Equitable. But after several months in Europe, in which I covered nearly every country of the continent, had to switch itineraries at the last moment, had to insure hotel accommodations in advance, and had to obtain cash in out of the way places, I came to a full realization of the value and convenience of the ETC Letter of Credit to a traveler."

* * * * *

The ETC Letter of Credit not only easily turns dollars into foreign coinage at the current rate of exchange, but its name alone entitles you to extra courtesies at the hands of the principal banks wherever you are.

More important, perhaps, it gives you the help of our London and Paris Offices (complete American banks abroad) in receiving mail, arranging itineraries, reserving hotel rooms, buying tickets and doing many other things that make a trip easier and more enjoyable.



It takes but a few minutes to buy a letter of credit at any of our New York offices; but it will save you many hours while you are abroad.

If you live outside of New York, your local bank will issue one for you.

THE EQUITABLE TRUST COMPANY OF NEW YORK

UPTOWN OFFICE
Madison Ave. at 45th St.

37 WALL STREET

IMPORTERS AND TRADERS OFFICE
247 Broadway

FOREIGN OFFICES

LONDON: 10 Moorgate, E.C.2
Bush House, Aldwych, W.C.2
PARIS: 23 Rue de la Paix
MEXICO CITY: 48 Calle de Capuchinas

DISTRICT REPRESENTATIVES

PHILADELPHIA: Land Title Building
BALTIMORE: Calvert and Redwood Sts.
BOSTON: 60 Congress St.
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

monthy export figures—from the January total of $395,000,000 to the low July total of $277,000,000, the lowest total since February, 1922. An upward turn began in August, for which exports were reported $54,000,000 higher than for July, and the September total was nearly $100,000,000 greater than for August, reaching $428,000,000, the highest export value since February, 1921.

The review includes fifteen pages of text and tables. Copies are obtainable from the Foreign Commerce Department of the Chamber of Commerce of the United States, Washington, D. C.

A "Hog-Calling" Contest at Springfield

A "HOG-CALLING CONTEST," open to men and women of Sangamon County, Illinois, was a feature of the second annual observance of "hog day" by the Springfield Chamber. The celebration brought together more than 1,600 farmers and business men. The program also included a dinner, speeches, and music at one of the Springfield high schools. Prizes amounting to $1,500 were given for the best litters.

About 250 persons entered the "hog-calling contest." The judges included four hog raisers, four bankers, three preachers, and the county superintendent of schools. A report of the contest asserts that it brought out tone qualities of which Caruso might have been proud. The jury awarded the first prize, a sixty-dollar watch, to Henry Brown, a farmer from Ashland, Illinois. The second prize, $40 worth of white paint, went to Thomas J. O'Herron, of Auburn, Illinois.

Someone asks, "What's the value of all this nonsense?" Well, we have observed that business is apt to follow friendship and understanding, other things being equal, of course. And we were strongly impressed by the way the city men and the farmers were getting together. You never feel quite so distant and unacquainted with a man after you have had a real, genuine laugh with him. In all this meeting there was no advice given as to hog raising, fruit growing or feeding of poultry. It was just a plain old-fashioned good-fellowship party. Last year 849 farmers attended this party; this year the number was doubled.

Pawtucket Chamber Plants Trees

TO FACILITATE the planting of more trees in Pawtucket, Rhode Island, the chamber has established a tree-planting bureau. Through this bureau the chamber sells trees, delivered or planted, at a nominal price, and organizes campaigns for spring and fall planting. During last fall, 350 Norway maples were planted. The trees planted are listed by the chamber, which is making plans to assure their proper care.

Need to Stabilize Cotton Output

A STEADY decline in cotton production in the United States, accompanied by increase in price of the American staple has been reflected in increasing activity on the part of foreign governments to develop potential cotton areas outside of America, as well as in a slowing down of demand for finished mill products, according to a report on the world cotton situation made by the Agricultural Bureau of the National Chamber. While the Bureau does not believe that there is any immediate danger that the United States will lose its position of dominance in the world cotton markets, yet it is convinced that the situation demands more aggressive efforts to stabilize production.

The report suggests that one way to stabilize production is by means of increased yields per acre. This, it is pointed out, automatically would reduce production costs and give the grower a just margin of profit, as well as permitting cotton to sell at a price which would tend to increase consumption. "The most serious obstacles in the path of increased cotton production in the United States," the report says, "are adverse weather conditions, the boll weevil, a labor shortage and poor farming."

The report discusses the cost of producing cotton. "Figures on cotton production costs vary

When writing to THE EQUITABLE TRUST COMPANY OF NEW YORK *please mention Nation's Business*

widely," it says. "The determining factor being rate of yield per acre. The available data show that this cost runs from $1.45 a pound for lint for yields of 20 pounds of lint and under per acre, to 9 cents a pound for yields of 500 pounds and over.

"Cheaper cotton from the standpoint of production costs will be produced in the South when per-acre yields are increased, not necessarily through an increase of acreage planted to the staple. The present tendency, however, is toward an increased acreage rather than toward increased yields per acre."

In addition to a discussion and analysis of production problems, the report analyzes the world situation with respect to production and demand, and indicates to what extent foreign governments have been led to make an effort to stimulate production of cotton in other lands. The point is brought out that there is no just cause for apprehension that foreign countries will greatly encroach upon the established American industry of producing cotton in the very near future, and that it is wholly within the power of this country to forestall such competition.

Ads Tell of Spirit of Neighborliness

ADVERTISEMENTS used in a cooperative retail advertising campaign by the Merchants Council of the chamber at Sunbury, Pennsylvania, have been reproduced in a folder with the title "The Spirit of Neighborliness." The advertisements were printed in ten papers in Sunbury's trade territory. Copies of the folder may be obtained from the secretary of the Sunbury chamber.

An Open Letter to Taxpayers

AN OPEN letter from one of the directors of the chamber at New Rochelle, New York, "to his fellow taxpayers" shows the unsoundness of reasons offered for not supporting the chamber. A copy of the letter is obtainable from the secretary of the New Rochelle chamber.

Coming Business Conventions

Date April	*City*	*Organization*
6	New York	Association of Marine Underwriters of the United States.
6-8	Washington	National Association of Cotton Manufacturers.
6 (week of)	Philadelphia	National Association of Hosiery and Underwear Manufacturers.
6		The Olive Oil Association of America.
9-10	New Orleans	American Cotton Manufacturers Association.
12-13	Chicago	National Broom Manufacturers Association.
13-16	New York	Quality Bakers of America.
15-16	Cleveland	National Warm Air Heating & Ventilating Association.
21-24	Dallas	American Hardware Manufacturers Association.
21-24	Dallas	Southern Hardware Jobbers Association.
22-23	Cleveland	National Metal Trades Association.
27-28	St. Louis	American Zinc Institute.
27-May 1	Louisville	American Water Works Association.
Last Week	Tulsa	Association of Natural Gasoline Manufacturers.

Other organizations that were to hold conventions in April included: American Association of Flint and Lime Glass Manufacturers, American Welding Society, Associated Leather Goods Manufacturers of the United States, Associated Traffic Clubs of America, Association of Scientific Apparatus Makers of the U. S. A., Bankers Association for Foreign Trade, Eastern Clay Products Association, National Alliance of Furniture Manufacturers, National Association of Box Manufacturers, National Association of Oxy Chloride Cement Manufacturers, National Basket and Fruit Package Manufacturers Association, National Council of American Importers and Traders, National Paper Trade Association of the United States, Southwestern Millers League, United Metal Trades Association of the Pacific Coast, Western Canners Association, and Western Grain Dealers Association.

When You Put on Federals You Put Off Delays

By using Federal Double Blue Pennant Truck Cords, bus, coach and truck operators alike are finding the one certain way to prevent costly delays.

They say the extra size, the stronger construction and greater resiliency of Federals are responsible for keeping their trucks running over all kinds of roads—24 hours a day if necessary.

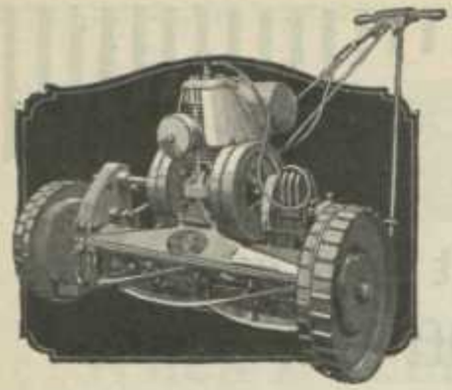
They also claim the Federal tread as a prevention against skidding and a means of certain traction has no equal.

The net result of running on Federals is lowered operating expense due to tire life that is longer and more reliable.



When you do business with the dealer displaying this sign, you will gain a new idea of how economical a tire can be and how valuable a tire dealer can make his services.

When writing to FEDERAL TIRE AUTHORIZED SALES AGENCIES *please mention Nation's Business*



A Power Lawn Mower with Automobile Type Differential

This is but one of many perfected mechanical features of the Jacobsen 4-Acre Power Lawn Mower. It permits easy steering about shrubs, trees, flower beds, etc., saves trimming.

The self-sharpening reel and the safety clutch that prevents damage to knives when sticks or stones are encountered, are other features that distinguish the Jacobsen as a perfected mower. It is a time and money saver—a lawn beautifier.

There's a type of Jacobsen Power Mower for every lawn. Send for complete catalog describing all models and sizes. Ask for demonstration on your own lawn—no obligation.

JACOBSEN MFG. CO.
Dept. BB, Racine, Wis., U. S. A.

Jacobsen
POWER LAWN MOWERS

Buying a Brush? Buy a Good One!

The handle, ferrule, and labor in a cheap brush cost as much as in a good brush. The big difference is in the bristles. The life of a brush is in the quality of its bristles and the way they are fastened.
Buy a good one!



WHITING-ADAMS
BRUSHES

Send for Illustrated Literature

JOHN L. WHITING-J. J. ADAMS CO.
BOSTON, U. S. A.
Brush Manufacturers for Over 116 Years and the Largest in the World

HUMAN ENGINEERING
Railway Audit and Inspection Company, Inc.
Franklin Trust Building
PHILADELPHIA

Government Aids to Business

Better Methods of Packing For Export Trade

The millions of dollars lost annually through packing that invites pilferage and results in breakage or other damage is a tax on industry which should be eliminated, says the foreword to "Packing for Export Trade," a compendium of packing practices published by the Department of Commerce.

Only a small percentage of exporters, the book says, know how a box or crate should be constructed to withstand an ocean shipment, the rough handling incident to loading and unloading, and the inland movement in a foreign country. To provide information for the use of exporters, the Department of Commerce, with the technical assistance of the Forest Products Laboratory at Madison, Wisconsin, made an investigation of packing methods.

The results of the investigation, which required three years, are presented in the book, and include the best practices as evolved from the experience of some of America's oldest export houses, together with information based on thousands of scientific tests. Specifications, charts, and instructions covering a wide general list of commodities in export trade are given in the book.

Copies of "Packing for Export" are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at $1.25 a copy.

Ways to Plan the Territories of Salesmen

Salesmen's territories should be ruled by transportation facilities and trade divisions—not by state and county boundary lines, says the Domestic Commerce Division of the Department of Commerce, in a pamphlet on "Planning Salesmen's Territories," written by G. E. Bittner.

"Thousands of dollars are unnecessarily spent each year in covering territory according to state boundaries instead of following lines of natural trade areas," says the pamphlet. "Too many sales executives look upon the red line of state or county boundary as a bunker which they do not dare to cross, thereby causing one of the most widespread wastes in the distribution machinery.

"If it costs from $30 to $50 a day to keep a good salesman on the road, it certainly pays the sales manager to consider most carefully the way to utilize his time to best advantage. A salesman waiting for train connections at a railroad junction, or doubling back on his track or stopping just before reaching a good town to avoid crossing a state line, is not getting the best results for himself or his company."

The pamphlet, issued as Trade Information Bulletin No. 314, includes a set of six plans to show the wide variety of sales territory plans actually in use. It may be obtained by application to the Domestic Commerce Division, Department of Commerce, Washington, D. C., or to any of the Department's district offices.

Glauber and Epsom Salts in Batteries

Tests made by the Bureau of Standards of several solutions said to charge batteries instantly, or to shorten the time of the usual charging process, have shown, the Bureau reports, that batteries containing the solutions, contrary to the claims made for them, perform in accordance with well-established laws of electro-chemistry.

Analysis disclosed that the solutions contained 38 to 42 per cent of sulphuric acid—about the amount in the ordinary electrolyte of an automobile battery when charged. In some of the solutions were found also significant quantities of sodium or magnesium, as well as coloring matter, and the Bureau explains that the sodium may have been added as soda, lye or Glauber salts; the magnesia as Epsom salts.

The use of sodium sulphate (Glauber salts) was suggested more than thirty-five years ago, the Bureau says, but various authorities since that time have asserted that its use does not benefit storage batteries—views now confirmed by the Bureau's experiments, which show the rate of sulphation of plates to be unaffected by even 4 to 5 per cent of Epsom salts or Glauber salts.

Comparison was made of batteries containing the solutions named and of similar batteries containing electrolyte of sulphuric acid of equivalent strength. The Bureau concludes that although the materials and the coloring matter considered separately may be harmless, the disadvantages in using the solutions more than offset any temporary gain, and that the usual electrolyte of pure sulphuric acid and water, adjusted to the proper specific gravity at the completion of a full charge, is the best.

Tables Show Fluid Densities and Volumes

The sixth edition of Circular No. 19 of the Bureau of Standards, "Standard Density and Volumetric Tables," is now available, and copies of the pamphlet may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 15 cents each.

The circular includes fifty-four tables and gives information on the density of water from 0° to 102° Centigrade; the density of different percentages of ethyl alcohol at various temperatures; the per cent by volume and by weight of ethyl and methyl alcohol solutions of known density; the density and pounds per gallon of milk and cream, and of petroleum oils; temperature corrections to the indications of hydrometers in alcohols, sugar, and sulphuric acid solutions, and petroleum oils; the relations between specific gravity and degrees Baume for both heavy and light liquids; the relation between specific gravity and degrees "American Petroleum Institute" for petroleum oils; the capacity of glass vessels as determined by the weight of water contained or delivered at various temperatures; the volume of milk and cream at various temperatures occupied by unit volume at 20° Centigrade (68° Fahrenheit); and master scales for the graduation of hydrometers to indicate percentages of ethyl alcohol by weight or by volume, or percentages of proof spirit.

Waterproofing For Gypsum Is Sought in Tests

Gypsum, though satisfactory as a plaster and tile for interior work, has not been satisfactory for exterior construction because of its slight solubility in water, says the Bureau of Standards, in reporting the results of its investigation of methods of weatherproofing gypsum. Three general methods were used: First, covering the set material with some waterproof coating to keep the moisture from the gypsum; second, precipitating on the surface an insoluble compound formed by a reaction of some material with the gypsum; and third, by the addition of an integral waterproofing compound to the gypsum to repel water when the gypsum has set.

At the beginning of the investigation many small cylindrical specimens of gypsum were made and treated in accordance with one of the three methods, and then exposed to the weather. At definite intervals, the cylinders were dried, weighed and tested for absorption. After the cylinders had been exposed for a year, panels were made of the same composition as the cylinders which gave promise of satisfactorily withstanding the weather.

The first method has so far given very good results with paraffin, waxes, and stearic acid; the second method has been the most successful—hot barium hydroxide provided a protective coating good for two years; the third method has not given promise of satisfactory results—zinc stearate, glue, gum tragacanth, gum arabic, glycerine, dextrin, and water glass were used as waterproofing compounds, but none of them, the

If You Can Get MORE CUSTOMERS at LESS COST

You'll Put One Over On "Old Man Overhead"

Overhead as a gross sum needn't ever worry you — but overhead as a *percentage of your total cost of doing business is something to think about.* Rent, light, heat, your own living expenses, taxes, insurance and other costs go on whether your sales are big or little.

When you can get MORE CUSTOMERS, and get MORE MONEY from each customer, the overhead per cent goes down and PROFIT per cent goes up. Why?—because you don't hire another expensive Old Man Overhead, you keep the same one, but make him work for you *all the time* instead of only *part of the time.*

That is what the men who wrote THESE TWO BOOKS have done — and made *much better profit* in consequence. In the same store, or factory, with the same light, heat, rent, clerks, etc., they do anywhere *from 50% to 200% more business,* and they get every dollar of new business at less cost per dollar than they used to pay for it.

Is Your Business Listed Here?

Advertising Agencies
Automobile Agencies
Bakers
Banks
Boards of Trade
Boot and Shoe Retailers
Brokers
Clothiers and Tailors
Coke and Coal Dealers
Commission Dealers
Dairies and Creameries
Dry Goods Stores
Drug Stores
Dyers and Cleaners
Electrical Companies
Express Companies
General Stores
Grocers
Hardware Dealers
Hotels and Clubs
Building Supply Dealers
Furniture Stores
Ice Companies
Insurance Agencies
Jewelers
Laundries
Libraries
Lumber Dealers
Mail-Order Houses
Men's Wear Dealers
Nurserymen and Florists
Opticians
Packers
Paint Dealers
Phonograph Dealers
Plumbers' Supply Dealers
Publishers
Schools and Churches
Vehicle Dealers
Etc., etc.

—Then You Can Use the Multigraph



The Writers of These Books ARE DOING IT—and Whoever Reads CAN DO IT.

Over twenty years of intimate, first-hand acquaintance with the ADVERTISING and PRINTING problems of business, produced the *INVALUABLE INFORMATION* in these books. They are built on the life-work of successful men — thousands of them, in *all kinds of business, big and little.* What they did is no mystery — any merchant or manufacturer, even the smallest can understand and apply these ideas to *save more money* and *earn more money.*

What the *Multigraph* — and the *services that go with it* — have done for business is far beyond the imagination of those who don't know the facts. Get these books — they cost you nothing — they cost the men who wrote them years of effort, yet to you they are free. *Mail the coupon today.*

Do Your Own Advertising

It does not require the services of a costly advertising expert and a high priced printer to *sell more goods.* Put your own ideas on paper with the Multigraph. That's all these men did and they *all* made it pay.

The Multigraph is easy to operate—easy to own. These books will tell you absolutely all you need to know to get the right equipment and make it pay from the start.

In a very large majority of business concerns, the saving on letterheads, envelopes, office or factory forms and other printing, which you use *whether you do much advertising or not,* is sufficient to more than pay for a Multigraph.

Eighty Successful Concerns Tell You How They Do It

One of these concerns built a million dollar cash business in a town of 905 persons.

Another has doubled its business in a store only 30 feet wide by 40 feet deep.

Another got 42% increase in six months against mail-order competition.

Another got 823 new prospects at 4¾ cents a name.

Another sold 2146 tons of coal to NEW CUSTOMERS at a selling cost of only 3½%.

Send for these books and get the stories.

Read This Letter—It is One of Many Hundreds

$1390 Income in 45 Days

"I am having such unusual results from my advertising by use of the Multigraph that I desire to call your attention to it. The Machine was placed in my office on January 23d of this year, and at this date (March 9th) I am able to trace to the machine, income of exactly $1,390.00. Within eighteen days after starting using the machine it brought in a cash income of $440.00. I certainly recommend its use."

R. A. SNYDER,
G. A. Stront Farm Agency,
Dade City, Fla.

Not an Obligation— An Opportunity

You incur absolutely no obligation by sending for these books. You will find in them scores of ideas of value to your business, whether you buy a Multigraph or not. You owe it to yourself to completely investigate something which has enabled so many thousands of other business men to get not just a little, but a great deal more profit out of their business.

The names and addresses of many of them are in these books. They will endorse all we say in this advertisement.

THE AMERICAN MULTIGRAPH SALES CO.
1806 E. 40th St., Cleveland, Ohio

THE MULTIGRAPH

Why the Multigraph SAVES So Much

The Multigraph reduces operating overhead; cuts out the "outside man's" profit, entails no sales expense, advertising expense, collection expense and other items which the printer has to pay. The average saving of 102 Multigraph owners in and about Cleveland, Ohio, was 47 cents out of every dollar formerly spent on printing.

Then, too, you get what you want, *when you want it* — in a few hours if necessary. No long delays, it is always ready to start work and it works at high speed. It's all explained in the book, "Do Your Own Printing." Send for it.



THIS COUPON *MAILED TODAY* WILL BRING YOU FACTS THAT MEAN MONEY

Check Uses You Are Interested In and Mail Coupon Today.

My Business is.....

Name.....

Address.....

WAYS FOR YOU TO SAVE

Printing

- ☐ Billheads, Statements
- ☐ Booklets and Folders
- ☐ Direct-Mail Advertising
- ☐ House Organs
- ☐ Imprinting
- ☐ Office-Forms
- ☐ Receipts, Checks, etc.
- ☐ Shop-Forms
- ☐ Stationery
- ☐ Store-Papers

Typewriting

- ☐ Bulletins
- ☐ Form Letters
- ☐ Envelope-Stuffers
- ☐ Inside System-Forms
- ☐ Notices
- ☐ Price Lists
- ☐ Reports

Mail this to American Multigraph Sales Co., 1806 E. 40th Street, Cleveland, O.

Wider horizons

..... *through coupons*



Coupons from well secured bonds pay for breathing spells. They broaden the opportunity—to be more, see more, do more. Regular investment in the high-grade bonds we recommend increases the income scope of your funds. Experienced counsel at your service. Offices in more than 50 leading cities.

THE NATIONAL CITY COMPANY

National City Bank Building, New York

BONDS SHORT TERM NOTES ACCEPTANCES

Who Are Our 175,000 Subscribers?

They Are Executives in 102,609 Corporations*

If this audience represents a market for your products, we shall be glad to give you complete advertising details.

In these corporations the magazine is being read by the following major executives:

Presidents	43,916
Vice-Presidents	19,894
Secretaries	19,195
Treasurers	9,307
Partners and Proprietors	10,701
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers	7,503
General Managers	13,843
Department Managers (Branch—Purchasing—Sales—Export, Etc.)	13,091
Major Executives	137,450
Other Executives	10,411
Total Executives	147,861
All other Subscriptions	27,001

*Figures based on a complete investigation of all subscribers in twelve cities.

NATION'S BUSINESS, Washington

Bureau says, seems to waterproof the gypsum for any length of time.

Examination of the panels and cylinders is made from time to time, and as new methods of treatment come to the Bureau's attention, cylinders are made and exposed for observation.

Materials For Tanning Made For Research

Investigation of the sources of so-called synthetic tanning materials continues at the Bureau of Standards. The importance of the investigation, the Bureau says, is shown by the fact that the tanning industry now imports nearly half of the tanning materials used, and that blight is rapidly destroying the chief domestic source of tannin.

The Bureau's work so far has included a thorough search of the patent literature, experimental production of materials, and tanning tests to indicate their possible value. The experiments in the preparation of materials have dealt chiefly with the sulfonated condensation products of various coal-tar crudes.

Seventy-one products have been made and classified as to source, manner of preparation, and tanning properties. From these products, the ones giving the most promise of commercial application will be made in larger quantities and studied to determine their tanning and filling properties, action on hide substance, use as an entire or partial substitute for vegetable tanning, and their economic value.

Apple Growers to Know of Europe's Crops

The Department of Agriculture will soon be in position to give American growers, and exporters of apples, information on apple crops in Europe. An expert of the Department is making a tour of European apple-growing regions and is organizing a service by which American apple growers will next year be informed of the magnitude of the crop abroad, when and where it will be marketed, and of the best time for exporting their own apples.

Information on the demand for and supply of apples in Germany is to be obtainable from the Department's office in Berlin, at No. 6a Pariser Platz, and also from the offices in Washington.

Use of Cerium in Glasses for Eye Protection

Cerium in glass is as good an absorber of ultra-violet rays as any of the newly advertised eye glasses having mysterious trade names, says the Bureau of Standards. The conclusion is based on experiments made with glass produced by the Bureau.

A study of glasses for protecting the eye from ultra-violet and infra-red radiation, made by the Bureau several years ago, inclined the Bureau to believe, it says, that the use of trade names on eye glasses merely confuses and mystifies the optician and the wearer, and that it is of doubtful value to the advertiser.

To illustrate, the Bureau says, suppose a slight difference is found in the ultra-violet transmission of glasses having different trade names. Just as soon as this difference has been ascertained, the Bureau says, it can be overcome by adding some absorbing substance, as cerium oxalate, to the glass having the smallest absorption. With the discrepancy made up, the costs of producing the different kinds of glasses are then the only factors in competition.

The Bureau explains that until recently emphasis has been placed on glasses for out-of-doors wear having selective absorption in the yellow green of the visible spectrum. Now, the Bureau says, advertisers emphasize uniformity of transmission in the visible spectrum, and high absorption of the ultra-violet rays. Because the intensity of the ultra-violet rays in sunlight is relatively very weak, especially after reflection from objects, the Bureau says, small variations in the ultra-violet transmission of glasses for wearing out-of-doors are unimportant.

TO MEN IN INDUSTRY



The Story of a Johns-Manville Salesman

—in two parts

I

ENGINEER

It is just as much the business of our men to help find losses in your plant as it is to sell our materials.

Having found the losses, they are educated to determine the cause quickly and prescribe the remedy.

You can get a Johns-Manville man into a dead boiler, into your pump or boiler room or wherever you need him, just as readily as on the purchasing agent's carpet.

That's one side of the Johns-Manville man.

II

SALESMAN

This is the other side of the Johns-Manville man. It is his business to take orders for materials that will prevent fuel and power losses—Johns-Manville insulation and power specialties.

He sells Insulation, Packings, Refractory Cements, Baffle Walls, Steam Traps and Asbestos products.

He can give you information about these products and save you dollars that you may now be losing in your plant through wasted power.



Get this two-sided man into your plant and office

Johns-Manville issues a publication called THE POWER SPECIALIST, *in which users tell how they have saved power and money with Johns-Manville Power Specialties. We will gladly add your name to the mailing list upon request.*

JOHNS-MANVILLE SAVES POWER

Asbestos

JOHNS-MANVILLE INC., 292 MADISON AVENUE AT 41ST STREET, NEW YORK CITY BRANCHES IN 67 LARGE CITIES FOR CANADA: CANADIAN JOHNS-MANVILLE CO. LIMITED, TORONTO



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417 Tower Building, *Chicago, Ill.*
370 Hobart Building, *San Francisco, Cal.*
225 Van Nuys Building, *Los Angeles, Cal.*
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99% Guaranteed by refund of 5¢ each
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Chips from the Editor's Work Bench

THAT idea of shipping milk in glass tanks set up in freight cars promises cheaper and more sanitary transportation than in the five-gallon cans now used. The new design of car includes two glass tanks with a combined capacity of 6,000 gallons—three times as great as that of the ordinary freight car filled with five-gallon cans. The glass tanks are to be insulated, and cooled with a refrigerating system.

It may be that the milk men have their eyes on the gasoline distributors, and the obvious convenience of tank cars and filling stations. And why shouldn't the family milk tank be as mobile as the family gas tank? An orthodox cow probably wouldn't stand for giving gasoline, but that's no reason why a pump couldn't be made to give milk.

STYLES in weather information change with the times. The Government's practice of sending out forecasts printed on postcards, begun in 1881, has been discontinued; newspapers and radio serve the purpose better, the Weather Bureau says.

The weather cards were familiar sights in post offices and general stores, and gave a friendly fillip to conversation in rural communities. But in this day the philosophers who gather 'round the cannon stove in the general store are too sophisticated to pore over postcard weather forecasts. Radio has brought the Weather Bureau to their doors. Now they get their weather news with the assurance that it's strictly fresh from the forecasters.

IN THE last scene of the election drama, the villain Radicalism was done to death, and his intended victim Business found his place in the sun of a new prosperity. Most of the spectators liked the ending, and most of them went home and promptly forgot all about it.

Well, it seems that the murder scene was phoney—just stage stuff. For along comes George Hinman, who writes pieces for Mr. Hearst, and says the reported death of Radicalism has been greatly exaggerated—and that



if business men don't bestir themselves they will wake up to find Radicalism more alive and more aggressive than ever. Trouble is a-coming, for

In the United States the so-called radicals have polled some 5,000,000 votes . . . one out of every six voters . . . in Great Britain . . . 5,500,000 votes . . . one out of every three voters . . . in Germany . . . 10,700,000 votes . . . one out of every three voters . . . when 21,000,000 grown men and women deliberately demand a general upheaval of business and business methods, their cause is neither dead nor sleeping. And, in stating this plain fact, a man does not have to give Russia even a first thought.

* * *

The lawmakers of thirty-nine states are to assemble and pass laws this year. The estimate is that some 60,000 new laws will be proposed and about 15,000 of them will be added to the 2,000,000 laws and local ordinances already in force in the United States. The majority of these laws will cross the lines of the Nation's Business.

If business men have any confidence in themselves, he says, there is no excuse for their failure to stand up and declare that confidence "at public meetings, in the schools and colleges, at Sunday evening clubs and on the Chautauqua circuits."

Business is not without confidence, but it is too often without the courage to give it voice. Circumstances may alter elections, but elections give no lasting help to those who do not help themselves.

TO THE MAN in the street the announcement of the American Steel & Wire Company, a subsidiary of the United States Steel Corporation, that it has abandoned the manufacture of horseshoes may seem only a belated



approval of his own powers of observation. For the city dweller, in his daily passages from curb to curb, usually sees more and more automobiles and fewer and fewer horses. But if the horse is not so visible in the city, he is to be seen in the country in numbers that attest his usefulness and importance to agriculture and to industry.

At the beginning of the century there were about 13,500,000 horses on farms in the United States. By the beginning of 1924 the number had risen to more than 18,000,000. For the years 1910 and 1920, the totals were 19,833,000 and 19,776,000, showing a slight decrease for the decade. The totals for 1910 and 1920 were both higher than the total for 1924, but the outstanding significance of all the figures is that mechanical competition has not been able to oust our four-hoofed friend. The only change is that he has left the city to thrive in the country.

MOTOR busses now come and go in many cities, and are accepted as a usual part of the transportation system. But their advance to a position of importance has come so quickly that few persons can make an accurate estimate of their number. Enlightenment comes from Edward F. Loomis, secretary of the National Motor Truck Committee of the National Automobile Chamber of Commerce.

During 1924, he says, 12,500 busses and vehicles for bus use were built and placed in service. These new busses, added to those in operation in Canada and in the United States, made a total of about 53,000 in use on January 1, 1925. The number of passengers carried during 1924 was placed at 2,500 million. That sounds like very round figures. Writing in *Bus Transportation*, Mr. Loomis shows the present distribution of busses as follows: Common carrier independents, 31,100; electric railways, 3,000; hotels, 1,000; schools, 15,000; sightseeing, tourist and contract, 1,500; industrial use, including real estate, department store and apartment house,



Another wonderland for Alice

In search of new adventures Alice stepped through the magnifying glass and found herself in the wonderland of telephone making.

Here at the great telephone factory things were coming to life. Little things that she never could see before. Little distances like one one-thousandth part of an inch, that she didn't know were worth bothering about, now became immensely big and proud and important.

And why not? These little bits of things are treated with such great respect and care at the telephone factory.

And that is why your Western Electric telephone is made so well and lasts so long.

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Just the same as fire insurance.

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LIFE INSURANCE COMPANY

Over Sixty Years in Business
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One Man in 6

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DISEASE

Hands, the source of many human ills, spread disease germs from one man to another. Banish the public bar of soap from your office or factory. Liqua-San touches nobody's hands but your own. It's safe!

May we Tell you More?

Use-LIQUA-SAN
The Liquid Soap

The HUNTINGTON LABORATORIES, Inc.
HUNTINGTON, INDIANA

garage and factory service, 1,075; railroad terminal companies, 250—total, 52,925.

A time-saving age shortened "omnibus" to "bus," but the Latin prefix might not seem excess baggage to the bus men if it could be made to mean a bus for all, or a bus everywhere.

FUR FARMING is no novelty in the United States, but probably every one doesn't know that there are now about 1,200 fur farmers in this country. Estimates of investments in the industry vary from $15,000,000 to $20,000,000. Fur farms are operated in the northern tier of states from Maine to Oregon, and in Colorado, Kansas, Iowa, Illinois, and Ohio.

The supply of furs from wild animals has decreased from 25 per cent to 50 per cent in the last ten years. About 90 per cent of the silver-black fox pelts marketed are produced on fox farms. Fox furs that cost the farmers from $30 to $60 to produce—with good luck—sell for $100 to $700, according to quality.

And it does seem more businesslike, if less picturesque, to trap foxes on fox farms than to go hallooing with hounds all over the countryside just to lift one brush.

SIMPLIFICATION of business forms is a progressive sign of the times. On the horizon now is the promotion of interest in standard bank-check sizes. A good many hard-driven family men would welcome the proposed reform. It would answer those complaints of unjust discrimination from John and Mary when they got their allowances. But, of course, a standard-sized check could be issued in multiples. Ay, there's the stub, as the saying is.

CORSETS made a better figure in 1923 than in 1921, says the Census Bureau, in reporting the value of the output for the two years—$78,047,959 in 1923, and $75,600,156 in 1921, a gain of 3.2 per cent.

Although the increase in production was not up to the general industrial advance from



the business slump of 1921, the figures suggest that if corsets are barely holding their own against the increase of population, the lighter brassieres and girdles have taken their places, especially among the younger and more athletic generation. Perhaps the new freedom is only a whim, for there are cycles in styles as well as in business. From Paris comes word that "the figure" is coming back. If so, the corset makers should be in better position to make ends meet.

AMERICAN agricultural machinery is very popular in Belgium and is generally preferred to European makes except for certain types of specialized machinery for which European countries have made an enduring reputation, says a report to the Department of Commerce from Assistant Trade Commissioner Hunt at Brussels.

Competition from European countries has been increasing, but American manufacturers have been able to hold their ground. Mow-

ers, reapers, and binders, and tractors of American make, he reports, are so firmly established in Belgian trade that European manufacturers find it very difficult to compete against them.

With improved implements in use abroad should come a revision of domestic ideas of foreign farmers. If some painter could now do for the Belgian farmers what Millet did for French farmers his work would give more enlightenment than words. There might not be as much of art in painting a man on a reaper as a "Man With the Hoe," but there would be more action.

WHERE are the nation's leaders born and educated?

According to popular belief, rural life is more favorable than urban environment for the nourishment of greatness. But that belief is not supported by the facts, says the National Educational Association. To make its case, the Association turns to Who's Who with the explanation that the census of 1870 is nearest the birth of most of the persons now included in Who's Who.

The census of 1870 disclosed that 26,952,301 persons, or 70 per cent, were living on farms, and 11,606,070, or 30 per cent, were living in cities, towns and villages. From those figures, and assuming that most of those now listed in Who's Who were born about 1870, the Association says the expected conclusion would be that most of them were born on farms.

Just the opposite is the fact, the Association asserts:

Although 70 per cent of our people were living on farms in 1870, but 6,288, or 25.9 per cent of the people listed in Who's Who, were born on farms. Although only 30 per cent of our population in 1870 was living in cities, towns and villages, this 30 per cent has produced 17,990 notables, or 74.1 per cent of those listed in Who's Who.

To put that conclusion in other words:

Each 1,000,000 people living in rural sections produced 233 notable men and women.

Each 1,000,000 people living in urban sections produced 1,550 notable men and women.

In proportion to population, over six times as many notable people are born in urban as in rural communities.

But nowadays transportation complicates any conclusion by producing a hybrid citizenry, partly rustic, partly urban. Week days a man be a captain in the city; week ends he may be the master of a chicken farm. How is the offspring of the commuter to be classified?

A NIGHT school has been organized by some Boston merchants to teach the fundamentals of merchandising to managers of retail stores, buyers, and other men in important store positions. The course is to be given at Boston University under the auspices of the College of Business Administration.

The instruction will include lectures on the supervision of the buying organization, merchandising practices of a small city store, procedure in European buying, the problem of the New York market, special sales events, basement store methods, coordination of buying and selling, publicity, financial control of buying operations, the low-priced store, the high-priced store, chain stores, and New York methods.

It does seem strange that men who have "arrived" should be going to high school—only another straw, perhaps, to show that there are ways and ways of burning the midnight oil.

—R. C. W.



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SAN FRANCISCO, 28 Geary Street, Garfield 4200
WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400
HONOLULU, T. H., 923 Fort Street

CHICAGO 10 So. La Salle Street
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SEATTLE 501 Maritime Bldg.
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QUALITY SERVICE



Have You This Unguarded Danger?

Manufacturers install machine guards and other devices to protect their workmen against needless accidents. The same rigid "safety first" measures should apply to drinking sanitation.

Lips can't touch the R-S nozzle—this is essentially a safety device, or protection, against the ever-present danger of drinking contamination and the consequent spreading of sickness among employees. Everyone must drink sanitarily. Clear, fresh, clean water always flows.

Executives are invited to write for catalog with prices, specifications and complete information on R-S Sanitary Drinking Fountains, Bath and Plumbing Fixtures and Supplies. It is yours upon request.

RUNDLE-SPENCE MFG. CO.
58 Fourth Street, Milwaukee
RUNDLE-SPENCE

Reviews of Business Books

Management Through Accounts, by James H. Bliss. The Ronald Press Co., 1924.

Books on accounting nowadays are becoming so numerous that when a new book is published there is an inclination to say, "Just another treatise on the same old subject." Accordingly, from a reviewer's point of view it becomes necessary to examine a new accounting book critically to determine what, after all, is new and worth while. That is the approach to Mr. Bliss's new book, "Management Through Accounts."

The title indicates that this book is intended for the executive, and the point of view very largely is that of the business manager. Illustrative of that point of view are the subjects of the first few chapters, "Accounting—A Service to Management," "The Story of a Business as Told by Its Financial Statements," "Fundamental Relationships in Business." It should not be inferred that the discussion is confined to the results of accounting activities, for the executive who would use accounting reports to the best advantage must have a clear conception of their structure and construction.

The book is in two parts, Part I being headed, "Financial Reports and Accounts," and Part II, "Costs, and Operating Reports and Accounts." Part II is interesting in its contrasts. For example, the material related to the basic principles of cost accounting and costs for ordinary manufacturing operations seems to have been inserted less with the purpose of informing on those subjects than with the desire to furnish a setting for the consideration of cost problems incident to businesses concerned with by-products and joint products. The consideration of these subjects is of distinct value, for the author, daily engaged in the problems of a great packing business where by-products and joint products are important, is in an especially favorable position to write with authority. There are also interesting and valuable discussions of other phases of accounting, including the handling of selling and administrative expenses, departmental accounting, accounting for branch plants, and inter-company accounting.

Three chapters at the end of Part II, entitled "Planning Accounting Classifications and Systems," "Classification of Balance Sheet Accounts Illustrated," and "Classification of Income and Expense Accounts Illustrated," should be useful to accountants. The author makes a plea for the workmanlike treatment of the classification of accounts, a matter which is too often carelessly handled, and assists the accountant to obtain the most effective arrangement of the accounts of his business.

This book is a distinctly valuable contribution to modern accounting literature, although there are probably only a few executives or accountants who will care to read all of its 850 pages.

The Trade of the United States with China, by Shu-Lun Pan. China Trade Bureau, New York, N. Y.

One hundred and forty years ago, on August 28, 1784, the *Empress of China* dropped anchor at Whampao, the harbor of Canton, attaining the distinction of being the first American vessel to fly the American flag in a China port. Its outward cargo was ginseng. Its return cargo was comprised of teas, silks, and various China goods.

Since that beginning, American trade with China has passed through four distinct periods, according to the author of this book. These four periods he designates as (1) nontreaty intercourse; (2) expansion and decline; (3) disturbance and competition; and (4) rapid expansion.

With this historical background he proceeds to discuss in a very interesting way the present situation, the past development and the future prospects of trade in particular commodities.

In the import trade, under Chinese exports to the United States, he discusses tea, silk, vegetable oils, cotton manufactures, wool, human hair and hair nets, bristles, hides and skins, furs, and eggs and egg products. Under Chinese imports from the United States he treats cotton goods, mineral oils, tobacco, wood and wood manufactures, and industrial machinery and equipment. The book closes with a discussion of commercial policies, investments, and banking activities in China.

This analysis of trade between China and the United States is not only timely but fills a distinct need. The American exporter and importer would welcome companion volumes treating in this same manner the historical background, the constituent commodities and the future prospects of American trade with each of the great world markets.

Chain Stores, by Walter S. Hayward and Percival White. McGraw-Hill Book Company, Inc., New York, 1922-25.

A little more than two years has made necessary a complete revision of this excellent book. Notable is the list, not declared complete, of varieties of chains:

Bakeries	Hats
Barbers	Hosiery
Beauty Parlors	Hotels
Butchers	Men's Clothing
Candy and Confectionery	Millinery
Cloaks and Suits	Optical Goods
Clothes	Pianos
Dairy Products	Radio
Drugs	Restaurants
Dry Goods	Shirts
Dyers and Cleaners	Shoes
Five-and-ten-cent Stores	Stationery
Florists	Tailors
Fruit	Theaters
Garages	Tobacco
Groceries	Typewriters
Haberdashery	Waists
Hardware	

To the list in the earlier edition have been added: Beauty Parlors, Millinery, Radio and Stationery.

The new edition lists 242 chains of grocery stores as against 63 in the first writing. The G. R. Kinney Company, a shoe chain, has 145 stores; the Scotch Woolen Mills, dealing in men's clothing, has 117; the J. C. Penney Company, dry goods, has 571; the L. K. Liggett Company, drugs, 263; but the real giants are in the five-and-ten-cent and the grocery field. The F. W. Woolworth Company has 1,260 stores, and the Great Atlantic and Pacific is credited with 10,303.

A great and apparently a growing change in our merchandising methods in the last generation.

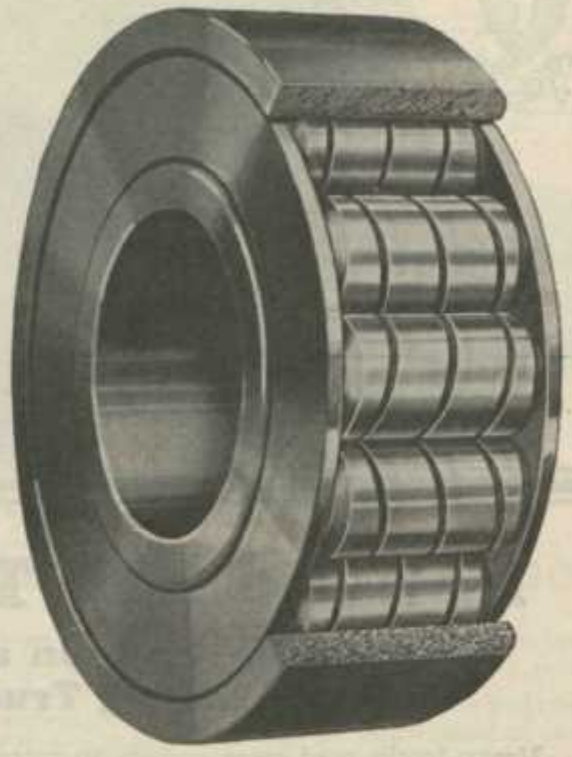
Income Tax Procedure, by Robert H. Montgomery. The Ronald Press Company, New York, 1925.

Reissue, brought up to date, of Mr. Montgomery's widely used volume on income tax procedure. The introduction notes that "the outstanding bright spot" of the last volume is the provision for the United States Board of Tax Appeals, whose first thirty-seven decisions have been analyzed and indexed. Mr. Montgomery, in his preface, pleads for "the simplification of the law by the omission of most of the details which now form the major part of the text and substituting for these details a great increase in the discretion granted to the Commission."

Statistical Methods, by Frederick Cecil Mills. Henry Holt and Company, New York, 1924.

A scholarly contribution to the mathematics of business. Prof. Mills says that his purpose has been "to write for the learner, not to the finished master," but if by learner he means the business man—and this is one of the American Business Series—he is still talking a language which few have yet acquired. However, we are getting each year from our colleges an increasing number of young men who go into business speaking that language.

The Rollers Of Progress



WHEREVER the wheels of progress turn Hyatt roller bearings are found.

On mine cars in the bowels of the earth, on logging blocks in the depths of the forest, on industrial and freight trucks at great centers of commerce, on farm implements and tractors on the prairies of the West.

On textile machinery in the mills of the East and the South, on electric and steam railroads, on paper making and printing machinery, on electric motors, on contractors' and steel mill equipment, on automobiles and trucks.

In every activity where steady, uninterrupted production and economical operation are important factors, Hyatt bearings fill an urgent need.

Since the original application of Hyatt bearings thirty-four years ago to lineshafts, the uses and installations of these bearings have increased constantly.

The combined efforts of trained engineers and specialists have made possible steady improvements in these bearings to keep pace with the changes and progress of industrial developments. Hyatt bearings meet the demands for greater efficiency at lower cost because they run easily, are durable and dependable, and reduce power, lubrication and maintenance costs.

We shall be glad to tell you the advantages of applying Hyatt roller bearings to the machines you use and produce. Write the nearest district office—no obligation will be incurred.

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Heavy trucks need extra cushion to protect engine from road pounding—and extra traction to give sure grip on slippery streets and hard going.

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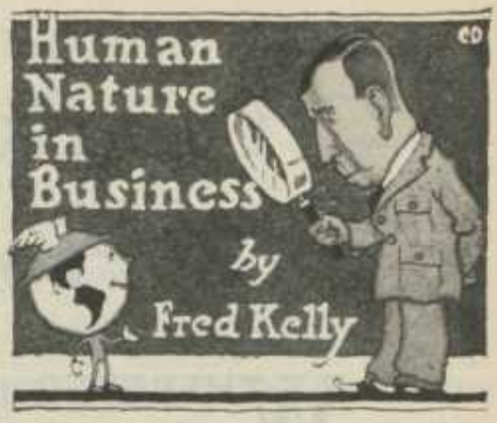
800 Firestone Truck Tire Service Dealers—located in every trucking center—are truck haulage experts. Let them show you how to reduce your operating costs.

Firestone

MOST MILES PER DOLLAR







"IT ISN'T so important what you say," declares a friend who writes advertisements, "as how often you say it. What I mean is that repetition even of a silly slogan will drive the name of your product into people's minds. Indeed, I doubt if any slogan could be so foolish that it wouldn't be better than none. I just thought of a line that might be used to advertise a new brand of talcum powder, and I have no doubt that if it were repeated often enough it would make that brand a household word."

Here is the slogan he suggests:

"WILL NOT EXPLODE IN THE FACE."

RETAIL salesmen often have a shocking knack at estimating a customer's character. I was compelled the other day to set forth to the marts after a hat. I tried on several hats without finding any that I regarded as suitable to my own peculiar type of beauty. Then I asked the salesman:

"What about that fuzzy hat in the window?"

"Oh, *that*," he said, suppressing a yawn, "is a *$10 hat!*"

He had assumed after looking me over that under no circumstances would I pay $10 for a hat.

And he was right.

ONE MORNING I happened to be up early and went to a lunch-counter restaurant for breakfast at about 8.40. The place was so crowded I couldn't get near the counter. But only fifteen minutes later the rush was over and there were seats to spare. Which made me think that one of the silliest things about us human beings is our habit of all trying to be at the same place at the same time.

Why shouldn't there be more scattering of hours of eating and hours of labor? Why must so many reach their offices at about 9 o'clock? Why should not subway and street-car rush hours be more divided? Not long ago I walked at 2 a. m. along a famous thoroughfare that a few hours earlier was bedlam. The street was quiet and delightful. I felt as if I should like to sleep all day when everybody else is getting in one another's way and do my moving about at night when others are asleep. Why not? Why couldn't more work be done at night? Half the men who go to offices at a certain hour do so only because the boss hasn't enough imagination to recognize that it isn't really necessary.

The chief statistician for a big institution tells me that when he occasionally takes a day off and works at his place in the country he is twice as useful to his employers as if he were at the office. Because he is in a quiet spot, free from interruption, he naturally accomplishes more work and his employers get the benefit. But if he were to ask for the privilege of doing all his work

at home he undoubtedly would be regarded as a shirk. His employers like to know that he is at a certain desk in the main office. Because it is necessary for a few people to do their work at the office, the boss fails to recognize that it is not equally essential for everybody.

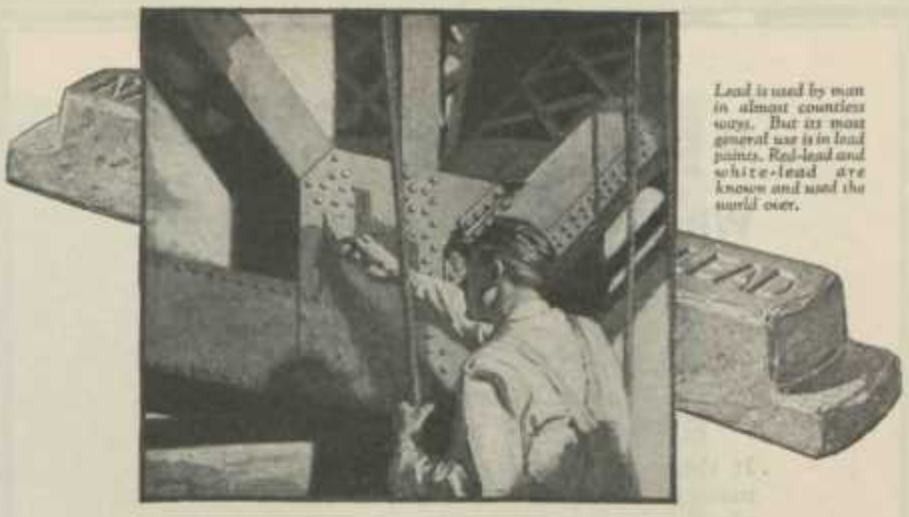
What a lot of lost motion may be traced to following rules and customs—to doing what is generally considered the proper thing!

IF YOU were going to employ a salesman and had your choice of a man heavily in debt or one equally capable but not in debt, which would you prefer?

A great corporation recently made a statistical survey of common attributes of several hundred salesmen and discovered the surprising fact that men heavily in debt seem to accomplish more than those without such financial burden. The explanation is believed to be only partly that, when a man owes a large sum of money, he works hard to get this debt removed. Still more important is the fact that a man heavily in debt is probably a smart fellow or he wouldn't have succeeded in inducing a bank or other institution to permit him to owe so much money. This same investigation showed that, while heavy indebtedness may indicate more than average ability, owing a trifling amount of money is almost certain to indicate just the opposite. In other words, any man who can induce you to lend him $5,000 must be downright clever, but beware of the fellow who habitually owes somebody a mere $30 or $40.

MOST business is now conducted so honestly that nobody needs to worry about sending by mistake too large a check or an excessive amount of goods. The firm at the other end who would profit by the error is almost sure to call it to the sender's attention. And I have just been thinking of an old story once vouched for as true by a man named Emmett Beeson. It is about a country grocer who bought a barrel of pickles. Or maybe it was a keg. Anyhow, he was supposed to have 1,000 pickles. A customer asked him: "How do you know there are that many pickles in the barrel. Have you counted them?" The old fellow got to thinking how easily he might be cheated and determined to count his pickles. He had every dish pan and other receptacle he could find filled with pickles as the count went on. There were pickles, pickles everywhere. And when he got through he found to his disgust that he had 178 pickles more than the thousand he had paid for!

IN A CERTAIN big department store that sells only for cash, no effort is made to handle pianos. Not enough pianos can be sold on a cash basis to justify the floor space a piano department would occupy. For years the idea of buying an instrument on easy monthly installments has been drummed at people until now the average person buying a piano would feel imposed upon if he had to pay cash. This same department store has no trouble selling motor launches for cash, though they cost more than a piano. The fellow who buys a motor launch is an entirely different type of customer from the average piano buyer. He knows that the launch is a luxury he shouldn't buy if he isn't prepared to pay on the spot. A piano, while also a luxury, is looked upon in many homes almost as a necessity—just as diamonds have in a measure ceased to be a luxury of the rich and become a necessity of the comparatively poor. Many a poor young man who



Lead is used by man in almost countless ways. But its most general use is in lead paints. Red-lead and white-lead are known and used the world over.

Red-lead helps man win the greatest war of all time

THIS war is between man and Nature. What man builds, the forces of Nature try to destroy. Nature is everlastingly striving to return all materials to their original and most stable form. So it has been since the beginning of time.

Man uses in his structures, among other materials, the strongest metal he has—steel. Opposed to it is one of Nature's strongest elements—moisture-laden air. The air attacks this metal which man has transformed and tries, by what is known as rusting, to draw it back to its original state. If the metal is left to face the attack alone, it soon weakens. It crumbles—is destroyed.

But few steel structures are permitted to rust rapidly away. Man thwarts Nature by protecting his steel with an armor of lead paint. With red-lead he makes a covering through which air and moisture do not penetrate.

The life of steel is prolonged indefinitely with this armor of paint derived from the metal lead.

In order to give complete protection to iron and steel, red-lead must be pure. That is why the United States Navy, and so many engineers, contractors and builders prefer Dutch Boy red-lead.

Dutch Boy stands all tests

Dutch Boy red-lead is pure and is highly oxidized. It has stood all tests for durability. It produces a hard, tenacious film that is still elastic enough to expand and contract under heat and cold without cracking. It brushes out evenly and has unusual covering power. It gives full and economical protection to the metal surfaces it covers.

Dutch Boy paste red-lead ready for mixing with pure linseed oil comes in the natural red-lead color. It can be shaded to browns, greens, black and other dark colors as desired.

Send for free paint booklet

We shall be pleased to send you a booklet, "The Handy Book of Painting," a storehouse of general paint facts and formulas. A section is devoted to the protection of metal surfaces. It tells how to prepare the surface for painting, how to mix and apply the paint. We shall also be glad to give you any specific information on any particular painting problem you may have.

Other Dutch Boy Products

IN the famous Dutch Boy series of products, besides red-lead, there are white-lead, flatting oil, solder, linseed oil and babbitt metals.

National Lead Company, in addition, makes lead products for practically every purpose to which lead can be put in art, industry and daily life. Among these products are litharge, sheet lead, lead bars, lead cames, lead pipe and lead tubing.

If you desire specific information about any of these or other uses of lead, write to our nearest branch.



The figure of the Dutch Boy Painter shown here is reproduced on every keg of Dutch Boy red-lead and is a guarantee of exceptional purity.

NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 131 State St.; Buffalo, 116 Oak St.; Chicago, 900 West 18th St.; Cincinnati, 659 Freeman Ave.; Cleveland, 820 West Superior Ave.; St. Louis, 722 Chestnut St.; San Francisco, 485 California St.; Pittsburgh, National Lead and Oil Co. of Pa., 316 Fourth Avenue; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut St.

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It shows how every detail of buying, production, financing and selling can be planned in advance—*then checked with and regulated by actual operations to assure profits and prevent loss.*

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BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	NEW ORLEANS
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can't afford to give his sweetheart a diamond engagement ring nevertheless does so, feeling that without such a token his marriage would scarcely be regular.

A BANK clerk of pleasing appearance, well educated and intelligent, recently took a job with an insurance company and was assigned to solicit insurance in one of the poorer sections of a large city. Although he worked hard, he made an utter fizzle of the job. His successor, a man of rather slovenly dress, and a much less gifted talker, took the same territory and has made a marked success. I asked the insurance agent who employed these men for an explanation. Here it is:

The bank clerk, accustomed to clean surroundings, was too fastidious. He did not feel at home amid careless housekeeping and soiled children. Because he was ill at ease himself, he couldn't interest people he dealt with. But the other fellow could talk insurance while feeding candy to an ill-kempt baby crawling over his lap. He succeeded largely because he *didn't mind dirt.*

ONE OF the most successful retail merchants in the country tells me that he thinks we have gone to extremes in defending the hypothesis that the customer is always right.

"It is a good business slogan," he says, "and frequently the customer *is* right. But what about the times when the customer is obviously wrong? If we permit ourselves to be imposed upon by saying that he is *always* right, then we are unfair to all the rest of our customers. If a woman returns a cloak that has been damaged and we accept it, the only way we can make up the loss is by charging a little more for other cloaks."

NOTHING is much more important in a big retail establishment than allotting its floor space with scientific precision. Gloves, stockings and umbrellas, for example, usually are near the front door because shoppers seeking these articles may not want anything else and would be unwilling to take an elevator or even walk through the store to reach them.

MOST department stores used to have their millinery departments on the ground floor—to attract women who come in to buy something else but cannot resist the fascination of hats. Today stores find that it is wiser to have a millinery department upstairs. Because aisles are less crowded upstairs women stay longer and try on more hats, with the result that they buy more.

I WAS recently astonished to learn how many grandfather clocks are sold. One New York department store last year sold an average of one a day.

"Clothes Are Never Torn Off"

AS TO stock exchanges, it seems that, according to *Commerce and Finance*, they do these things better in San Francisco. Instead of the frantic "post system" of trading, familiar in the east, members sit, in a circle, about an auctioneer who receives their bids and makes sales. The advantages mentioned are numerous—among them: "Order is always maintained. Even in the most excited session the strongest man never wins in the scramble for stocks. Clothes are never torn off."



Directors Room, New York Cotton Exchange
Courtesy, American Walnut Association.

Not Until The Final Authority Says "Yes"

THE sales manager said: "I want each of you salesmen to interview the superintendent and works manager in addition to the purchasing department." *Nothing was said about the higher executives.*

The advertising manager said: "Our advertising will be aimed at the engineer and superintendent, even the worker in the plant in some instances." *Nothing was said about the higher executives.*

The general manager said: "We'll take our chance on the final approval if you men will convince the group that recommends." *No plan was made for carrying the campaign direct to the men higher up.*

And that year, as usual, after weeks of expensive sales effort, thousands of vice-presidents asked the disturbing question—"Are they the right people to buy from?" Thousands of treasurers did their part in canceling weeks of expensive sales effort by saying, "Isn't the price out of line?" And thousands of buying conferences brought the answer "No" to waiting salesmen when it might just as well have been "Yes."

The final approval wasn't very important until it was the one thing lacking. Then its importance was out of all proportion to the added cost of a campaign laid directly before the men higher up.

More than 44,000 Presidents of Corporations read Nation's Business
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NATION'S BUSINESS
Washington

MORE THAN 175,000 CIRCULATION MEMBER A.B.C.



After the third lightless night, the business men took matters into their own hands. "If the city won't pay for the lights, we will," they told the city council.

Where was Lima when the lights went out?

As part of an economy program, Lima, Ohio, tried turning out the street lights. The trial lasted three nights.

One newspaper summarized the result as "the probability of a crime wave, increase in the number of traffic accidents, and the loss to Lima business houses of a gigantic sum during the holiday season."

MAZDA is the Mark of a Research Service. It is the mark which assures the user of the lamp that the manufacturer had advantage of the most recent findings of the Research Laboratories of the General Electric Company. Invention moves from the ideal to the real. So the researches of men trained to investigate and experiment make impressive contributions to human progress.

GENERAL ELECTRIC



From the nature of its product, the stove industry has a different crating problem. The illustration above shows how a Weyerhaeuser engineer solved the problem for one manufacturer. "X" shows the top and bottom section; "Y" the side section; and "Z" the end section. Two of each of these sections, made on jigs in the carpenter shop, are required. The picture on the left shows the stove with top and bottom sections, while the picture at the right shows the completed crate.

What Scientific Crating Has Done for the Stove Industry

THE two final and tangible results that Weyerhaeuser crating engineers have accomplished for the stove industry, in which all business men will be interested, are: lessened breakage in shipments; and marked savings in packing and carriage charges.

These results have been attained by:

An average reduction in lumber consumption of 11.3%.

An average reduction in weight of 7.5 lbs. per crate, which has lowered freight costs.

Stronger crates, which have lessened breakage and damage claims.

Standardization of designs and sizes.

Reduction in labor costs.

Reduction in lumber storage and factory floor space.

Here is, furthermore, a striking instance of practical conservation, for the elimination of lumber waste in the shipping room is just as much a part of conserving our timber resources as the elimination of wasteful practices in lumber production.

MANUFACTURERS in many other lines of business have experienced similar results from this crating service. In practically every case where the engineers have been consulted they have been able to increase the efficiency of the crates and cut costs.

The service of Weyerhaeuser crating engineers is available for industrial concerns by appointment, without cost or obligation.

A booklet, "Better Crating," outlining the principles of scientific crate construction, will be sent free on request.

What stove manufacturers say about Weyerhaeuser Crating Service

Formerly two of our stoves, which are made in a total of 9 different sizes, were shipped in crates having 3 different widths, 2 heights and 9 lengths. Today these same stoves are shipped in crates having but one width, 2 heights and 6 lengths.

This has reduced the number of different sizes and lengths of crating lumber from 28 to 18. Only 16 different lengths are now used where 23 were required in the old crate.

The old crates for these 9 stoves were made of 18 sections and 162 loose pieces, besides blocking, while the new crates require 54 sections and no loose pieces except the blocking. All 54 of these sections are made in but 5 jigs.

This standardization of design and sizes of crates along with the fact that the crates are made up in sectional form has greatly simplified our crating operation and obtained for us a much better package.

NATIONAL STOVE CO. DIV.
R. E. Roth, Assistant Supt.

We have used almost the same design ever since your investigation and have extended its use to the balance of our product. The result has been that our transit breakage has been cut down very radically, thus giving much better service to our customers as well as eliminating a lot of troubles of our own.

We expect in time to have breakage almost eliminated and we can truthfully say that this is all a result of your investigation and preliminary design.

THE BECKWITH COMPANY
D. B. Gardner
Asst. Gen. Mgr. & Treasurer

* * *

Our Model A 441 Smoothtop Range, which we formerly shipped in two crates, is now being shipped in the single crate which you worked out. It effects a saving in lumber of around 25%, which naturally means a saving in packing costs.

In the packing of our Model A 968 RE Vulcan Range, the saving in lumber, due to the revised design of crate, amounts to approximately 10%.

WM. M. CRANE COMPANY
M. G. L. Harris
Purchasing Agent

* * *

Your engineer went into our crating room and designed a crate to handle our enameled gas ranges, which type of range, as you know, has been the source of considerable crating trouble for all stove manufacturers.

We were enabled by your engineer's efforts, although perhaps a little indirectly, to make a saving of approximately 30% in the cost of our crate, and we believe we now have a crate which is one of the best designed and most efficient gas range crates in the United States.

TAPPAN STOVE COMPANY
A. P. Tappan

WEYERHAEUSER FOREST PRODUCTS
SAINT PAUL • MINNESOTA

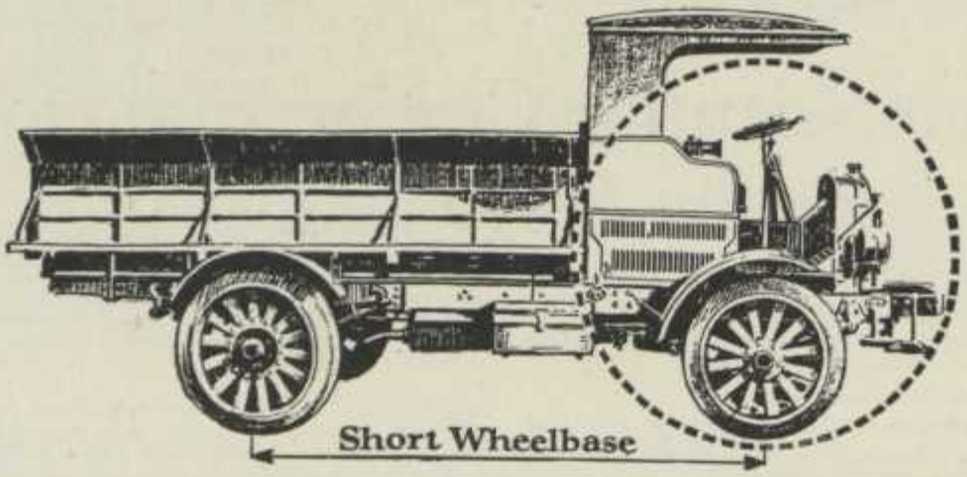
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Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 220 Broadway, New York; Lexington Bldg., Baltimore; and 2694 University Ave., St. Paul; and with representatives throughout the country.

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is under the seat

because every inch of wheelbase saved simplifies every hauling job in every congested or narrow place



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Traffic congestion reduced
Terminal congestion relieved
Street space conserved
Loads more evenly distributed
Wear on tires and parts reduced
More space for pay load
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The Autocar Company, Ardmore, Pa.

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